

EUGENE CITY COUNCIL AGENDA ITEM SUMMARY



Work Session: Multi-Unit Property Tax Exemption (MUPTE) Program

Meeting Date: January 30, 2013
Department: Planning & Development
www.eugene-or.gov

Agenda Item Number: B
Staff Contacts: Denny Braud 541-682-5536
Robin Hostick 541-682-5507

ISSUE STATEMENT

In September 2011, the council approved the continuation of the Multi-Unit Property Tax Exemption (MUPTE) program within the Downtown Plan Area (see Attachment A map). This work session is an opportunity for the council to provide direction regarding future strategies for using MUPTE to achieve Envision Eugene goals.

BACKGROUND

The MUPTE program is enabled by state legislation and designed to encourage higher density housing and redevelopment in the core area and along transit corridors. The program provides a 10-year property tax exemption on qualified new multi-unit housing investments that occur within a specific, targeted area, meet program requirements, and are reviewed and approved by the City Council. During the exemption period, property owners still pay taxes on the assessed value of the land and any commercial portions of the project, except those commercial improvements deemed a public benefit and included in the exemption.

On July 20, 2011, the council considered MUPTE in the context of Envision Eugene and directed staff to proceed in two phases: 1) prepare an ordinance and hold a public hearing to extend the sunset date for MUPTE within the Downtown Plan Area, and 2) conduct additional work sessions to discuss other priority areas for council consideration and future action. On September 26, 2011, the council approved an ordinance that extended the sunset date for MUPTE to January 1, 2022, and limited the boundary to only include the Downtown Plan Area. (The MUPTE ordinance and administrative order used to review MUPTE applications are included in Attachments B and C). On October 12, 2011, the council had an initial discussion regarding strategies for determining priority areas for MUPTE in the context of Envision Eugene. The outcome of that discussion included a single action that directed staff to not consider MUPTE in the West University Neighborhood.

There are two potential considerations for utilization of MUPTE as an Envision Eugene implementation tool. First, the council has expressed interest in looking at the existing MUPTE

program to determine if any changes are desired to better align the tool with preferred Envision Eugene outcomes. Secondly, the council will need to consider whether MUPTE (and other potential tools) could be utilized to implement Envision Eugene in locations outside of the Downtown Plan Area.

RELATED CITY POLICIES

Utilization of the MUPTE program to stimulate new multi-unit housing development addresses many goals for Eugene and downtown, including:

Eugene Downtown Plan

- Stimulate multi-unit housing in the downtown core and on the edges of downtown for a variety of income levels and ownership opportunities.
- Downtown development shall support the urban qualities of density, vitality, livability and diversity to create a downtown, urban environment.
- Actively pursue public/private development opportunities to achieve the vision for an active, vital, growing downtown.
- Use downtown development tools and incentives to encourage development that provides character and density downtown.
- Facilitate dense development in the courthouse area and other sites between the core of the downtown and the river.

Envision Eugene Pillars

- Promote compact urban development and efficient transportation options.
 - Integrate new development and redevelopment in the downtown, in key transit corridors and in core commercial areas.
 - Meet the 20-year multi-family housing need within the existing Urban Growth Boundary.
 - Make compact urban development easier in the downtown, on key transit corridors, and in core commercial areas.
- Provide housing affordable to all income levels.

Regional Prosperity Economic Development Plan

- Strategy 5: Identify as a Place to Thrive - Priority Next Step - Urban Vitality
 - As a creative economy is fostered, dynamic urban centers are an important asset. Eugene, Springfield and many of the smaller communities in the region recognize the importance of supporting and enhancing vitality in their city centers. Building downtowns as places to live, work and play will support the retention and expansion of the existing business community and be a significant asset to attract new investment. The Cities of Eugene and Springfield will continue to enhance their efforts to promote downtown vitality through development and redevelopment.

City Council Goal of Sustainable Development

- Increased downtown development

COUNCIL OPTIONS

This work session is an opportunity for staff to get feedback from council regarding alignment of the existing MUPTE program with Envision Eugene outcomes and potential next steps for considering MUPTE outside of the Downtown Plan Area.

CITY MANAGER'S RECOMMENDATION

The City Manager will use council feedback obtained in this work session to bring back recommendations regarding the existing MUPTE program and the potential use of MUPTE outside of the Downtown Plan Area.

SUGGESTED MOTION

No motion proposed at this time.

ATTACHMENTS

- A. MUPTE Boundary Map
- B. MUPTE Ordinance
- C. MUPTE Administrative Order
- D. Envision Eugene Technical Summary for Commercial and Multi-Family Homes

FOR MORE INFORMATION

Staff Contact: Denny Braud
Telephone: 541-682-5536
Staff E-Mail: denny.braud@ci.eugene.or.us

Staff Contact: Robin Hostick
Telephone: 541-682-5507
Staff E-Mail: robin.a.hostick@ci.eugene.or.us

Multi-Unit Property Tax Exemption (MUPTE) Area



 Multi-Unit Property Tax Exemption (MUPTE) Area

City of Eugene - December 14, 2011
Planning and Development Department
Community Development Division



Caution: This map is based on imprecise source data, subject to change and for general reference only.



COUNCIL ORDINANCE NUMBER 20479

COUNCIL BILL NUMBER 5055

**AN ORDINANCE CONCERNING MULTIPLE-UNIT HOUSING
PROPERTY TAX EXEMPTIONS AND AMENDING SECTIONS
2.945 AND 2.947 OF THE EUGENE CODE, 1971.**

ADOPTED: September 26, 2011

SIGNED: September 28, 2011

PASSED: 8:0

REJECTED:

OPPOSED:

ABSENT:

EFFECTIVE:

October 29, 2011

ORDINANCE NO. 20479

AN ORDINANCE CONCERNING MULTIPLE-UNIT HOUSING PROPERTY TAX EXEMPTIONS AND AMENDING SECTIONS 2.945 AND 2.947 OF THE EUGENE CODE, 1971.

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

A. In accordance with State law, Sections 2.945 and 2.947 of the Eugene Code 1971, were adopted setting forth provisions regarding approval of multiple-unit housing property tax exemptions. One of the criteria for approving a multiple-unit housing property tax exemption required that the project be completed on or before January 1, 2012.

B. State law has recently been amended and extended the January 1, 2012 project completion deadline to January 1, 2022, and authorized the granting of an exemption for a commercial use that is part of the multiple-unit housing building.

C. The Council has determined that Sections 2.945 and 2.947 of the Eugene Code 1971, should be amended to allow the City's multiple-unit housing property tax exemption program to continue, consistent with the new State law, for the downtown core. Although this Ordinance extends the program at this time only for the downtown core, the Council will be considering in the near future what other parts of the City should be eligible for the multiple-unit housing property tax exemption program.

THE CITY OF EUGENE DOES ORDAIN AS FOLLOWS:

Section 1. Sections 2.945 and 2.947 of the Eugene Code, 1971, are amended to provide as follows:

2.945 Multiple-Unit Housing – Property Tax Exemption.

- (1)** The provisions of ORS 307.600 to 307.637 enable cities to grant local property tax exemptions for multiple-unit housing located in core and transit oriented areas designated by the city. There is a need and demand for better housing at rental rates or sale prices accessible to a broad range of the general public in the core and transit oriented areas which is not likely to be produced without this incentive. This incentive is intended to:
 - (a)** Stimulate the construction of transit supportive multiple-unit housing in the city's core and transit oriented areas to improve the balance between the residential and commercial nature of those

- areas, and to ensure full-time use of the areas as places where citizens of the community have an opportunity to live as well as work;
- (b) Encourage the development of vacant or under utilized sites in core and transit oriented areas, rather than sites where sound or rehabilitable multiple-unit housing exists;
 - (c) Encourage the development of multiple-unit housing, with or without parking, in structures that may include ground level commercial space;
 - (d) Encourage the development of multiple-unit housing, with or without parking, on sites with existing single-story commercial structures;
 - (e) Encourage the development of multiple-unit housing, with or without parking, on existing surface parking lots; and
 - (f) Preserve existing publicly assisted housing that is affordable to low income persons by providing the incentives authorized in ORS 307.600 to 307.637 to existing multiple-unit housing that is subject to a low income housing assistance contract with an agency or subdivision of this state or the United States.
- (2) The provisions of ORS 307.600 to 307.637 are hereby adopted as the city's multiple-unit housing property tax exemption program. Sections 2.945 and 2.947 of this code shall apply in the downtown area depicted on Map 2.945(2) attached to Ordinance 20479 and appended to chapter 2 of this code.
- (3) Applications for property tax exemption hereunder shall be filed with the city manager on or before February 1 immediately preceding the first assessment year for which exemption is requested and shall be accompanied by an application fee. The application shall be processed in accordance with standards and guidelines adopted by administrative rule of the city manager. As used in this section and section 2.947 of this code and the standards and guidelines, "city manager" includes the manager's designee. The standards and guidelines adopted by the city manager in the manner described in section 2.019 of this code shall contain provisions relating the net financial benefit from the property tax exemption to the public benefits provided by the improvements, including a public benefit scoring system for evaluating applications.
- (4) Upon receipt of the city manager's written recommendation on an application, the council shall consider the application, the city manager's written recommendation, and any written comments submitted during the 30 day comment period on the application at its next scheduled meeting. If the council fails to act on an application which has been timely referred to it as provided in the standards and guidelines within 180 days from the date it was filed, the application shall be deemed approved and processed thereafter in accordance with subsection (9) of this section.

- (5) At the meeting at which the city manager's recommendation on an application is considered, the council shall adopt a resolution approving the application and granting the property tax exemption, or adopt a resolution disapproving the application and denying the property tax exemption.
- (6) In order to approve an application, the council must find that:
- (a) The project will provide multiple-unit housing of five or more units;
 - (b) The project is located within the boundaries of the core or transit oriented areas described in subsection (2) above;
 - (c) The proposal could not financially be built "but for" the tax exemption;
 - (d) The applicant solicited comments from city-recognized affected neighborhood associations;
 - (e) The requirements in the standards and guidelines related to proximity to historic resources have been satisfied;
 - (f) The applicant has complied with the provisions of the standards and guidelines;
 - (g) In case of multiple-unit housing located in the transit oriented area described in subsection (2)(b) of this section, the structure must:
 - 1. Be physically or functionally related to a light rail or mass transportation system; and
 - 2. Enhance the effectiveness of a light rail or mass transportation system.
 - (h) In the case of the construction of, or the addition or conversion to multiple-unit housing:
 - 1. The construction, addition or conversion will be completed on or before January 1, 2022;
 - 2. The owner has agreed to include in the construction, addition or conversion, as a part of the multiple-unit housing, one or more public benefits, including but not limited to commercial uses of a portion of the multiple-unit housing structure, open spaces, parks and recreational facilities, common meeting rooms, child care facilities, transit amenities and transit or pedestrian design elements, or benefits otherwise specified in the standards and guidelines;
 - 3. The proposed construction, addition or conversion project is, or will be at the time of completion, in conformance with all local plans and planning regulations, including special or district-wide plans developed and adopted pursuant to ORS chapters 195, 196, 197, 215 and 227, that are applicable at the time the application is approved;
 - (i) In the case of multiple-unit housing subject to a low income housing assistance contract with an agency or subdivision of this state or the United States,
 - 1. The application for exemption was made on or before January 1, 2022;

2. It is important to the community to preserve the housing as low income housing and it is probable that the housing would not be produced as or remain low income housing without the exemption being granted;
 - (j) The multiple-unit housing is not designed for, and will not be used as transient accommodations; and
 - (k) Granting the application is in the public interest. In making this determination, council shall consider, among other things, the number of points awarded based on the public benefit scoring system contained in the standards and guidelines.
- (7) Unless the council makes each of the findings required by subsection (6) of this section, the council shall deny the application. In addition to the owner's name and address, and a legal description or the assessor's property account number for the subject multiple-unit housing, the resolution approving the application shall contain the above findings and set forth the specific conditions of approval or exclusions therefrom and specify the percentage and duration of the exemption. A resolution denying an application shall set forth the specific reasons for denial.
- (8) The city manager shall forward to the applicant a copy of the resolution adopted by the council within 10 days from the date the council acts on the application, and on or before April 1 following approval, shall file with the county assessor a copy of the resolution approving an application.
- (9) With respect to an application deemed approved through inaction of the council under subsection (4) of this section, on or before April 1 following the expiration of the 180-day period, the city manager shall file with the county assessor an administrative order containing the same findings and information as required to be set forth in a resolution approving an application and forward a copy thereof to the applicant.
- (10) In the case of a structure to which stories or other improvements are added or a structure that is converted in whole or in part from other use to dwelling units, only the increase in value attributable to the addition or conversion may be exempt from taxation.
- (11) Notwithstanding subsection (6) of section 2.947 of this code, if the multiple-unit housing is or becomes subject to a low income rental assistance contract with an agency of this state or the United States, the city may extend the exemption through June 30 of the tax year during which the expiration date of the contract falls.

2.947 Multiple-Unit Housing - Termination of Approval, Review.

- (1) After a resolution approving an application has been filed, if the city manager finds that:
 - (a) Construction of multiple-unit housing was not completed within the time specified in the resolution, and no extensions as provided in subsection (5) hereof have been granted, or

- (b) The applicant has failed to comply with the provisions of ORS 307.600 to 307.637, the provisions of this code, any provisions of the standards and guidelines adopted by the city manager, or
- (c) The applicant has failed to comply with any conditions imposed in the resolution approving the application, or
- (d) Construction of multiple-unit housing was not completed on or before January 1, 2022, or
- (e) In the event units within the development are sold individually, a unit owner fails to comply with applicable requirements described in paragraphs (b) or (c) of this section,

the city manager shall notify the council; the owner of the property, at the owner's last known address; and any known lender, at the lender's last known address, of the manager's intention to recommend to the council that the exemption be terminated. The notice shall clearly state the reasons for the proposed termination, and shall require the owner to appear before the council, at a time specified in the notice, which shall not be less than 20 days from the date the notice was mailed, to show cause, if any exists, why the exemption should not be terminated.

- (2) If the owner fails to appear and show cause why the exemption should not be terminated, the city shall further notify every known lender of the owner's failure to appear and shall allow the lender a period of not less than 30 days, beginning with the date that the notice of failure to appear and show cause is mailed to the lender, to cure any noncompliance or to provide adequate assurance that the noncompliance will be remedied.
- (3) If the owner fails to appear before the council at the time specified in the notice, or if the owner appears and fails to show cause why the exemption should not be terminated, and a lender fails to cure or give adequate assurance that any noncompliance will be cured, the council shall adopt a resolution terminating the exemption, which shall contain its findings in support thereof. Copies of the resolution shall be filed with the county assessor and mailed to the property owner, at the owner's last known address, and to any lender at the lender's last-known address, within 10 days from the date adopted. If a determination is made that the exemption should continue as previously granted, the council shall enter written findings of record in support of the continued exemption and forward a copy thereof to the property owner and to any lender within 10 days from the date of the hearing.
- (4) All reviews of council action in denying, approving, or terminating an application shall be governed by the procedures set forth in ORS 34.010 to 34.100, and correction of assessments and tax rolls and the evaluation of the property shall be in conformity with ORS 307.687. The council's action on an exemption shall not be a land use decision for purposes of administrative review.
- (5) If construction, addition, or conversion of multiple-unit housing is not completed by January 1, 2022, upon receipt of a request from the

property owner, the council may, by resolution, extend the deadline for completion of construction of multiple-unit housing for a period not to exceed 12 consecutive months, if it finds the failure to complete construction by the time specified in the resolution was due to circumstances beyond the control of the owner, and that the owner had been and could reasonably be expected to act in good faith and with due diligence.

- (6) In any event, no multiple-unit housing granted an exemption by the council may be exempt from ad valorem taxation for more than 10 successive years. The first year of exemption is the assessment year beginning January 1 immediately following the calendar year in which construction, addition or conversion is completed, determined by that stage in the construction process when, pursuant to ORS 307.330 the improvement would have gone on the tax rolls in the absence of the exemption. The exemption may not include the land, nor any improvements located thereon that are not a part of the multiple-unit housing but may include commercial use of a portion of the structure and parking constructed as part of the multiple-unit housing construction, addition or conversion, and is in addition to any other exemption provided by law. However, no property may be exempt beyond 100 percent of its real market value.
- (7) Any exemption granted by the council shall terminate immediately, without right of notice or appeal, in the event the county assessor determines that a change of use to other than residential or residential with commercial uses of a portion of the structure, or housing has occurred for the multiple-use housing, or portion thereof, or if a low income housing assistance contract with an agency or subdivision of this state or the United States is breached or terminated prematurely, or a declaration as defined in ORS 100.005(12) is presented to the county assessor or tax collector for approval in connection therewith. Termination shall be in accordance with the provisions of ORS 307.627.

Section 2. Applications submitted or approved pursuant to Sections 2.945 and 2.947 of the Eugene Code, 1971, prior to the effective date of this Ordinance, shall be governed by the Code provisions that were in effect prior to the effective date of this Ordinance.

Section 3. 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

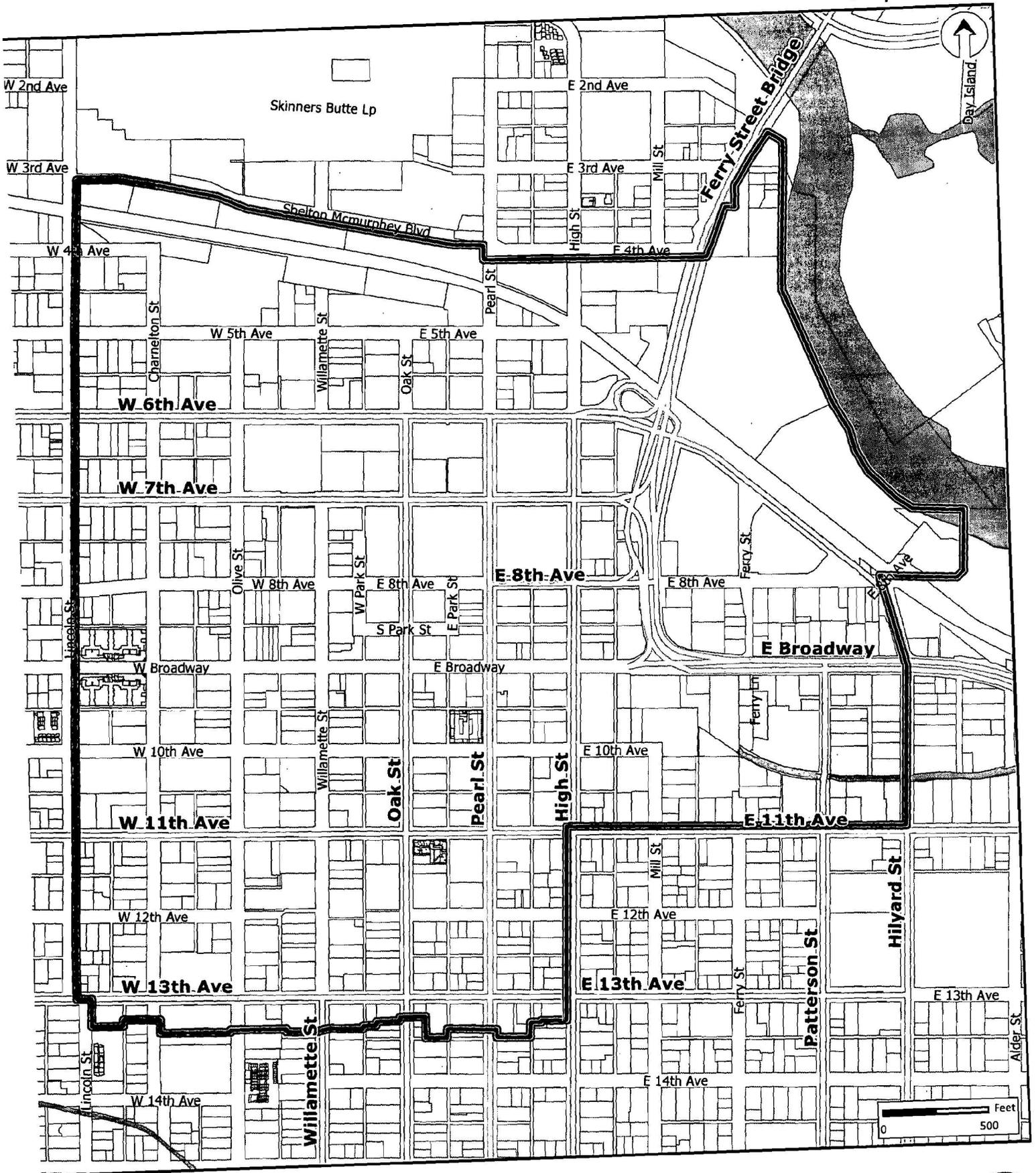
26th day of September, 2011

Sandra Q. Stubbs
Deputy City Recorder

Approved by the Mayor this

28 day of September, 2011

Kitty Perry
Mayor





MEMORANDUM

City of Eugene
777 Pearl Street, Room 105
Eugene, Oregon 97401-2793
(541) 682-8447
(541) 682-5414 FAX
www.eugene-or.gov

Date: November 10, 2011

To: Sandra Stubbs, Deputy City Recorder

From: Glenn Klein, City Attorney *AK*

Subject: Scrivener Error Correction to EC 2.945 Adopted by Ordinance No. 20479

It has come to our attention that two reference errors exist in Ordinance No. 20479 which was adopted on September 26, 2011.

Ordinance No. 20479 amended EC 2.945(2) to redefine the area eligible to receive multiple-unit property tax exemptions (MUPTE). That redefinition deleted subsections (2)(a) and (2)(b) from EC 2.945, thereby removing the areas known as "the core area" and "the transit oriented area" as MUPTE eligible areas, and instead adopted a new subsection (2) which described the MUPTE eligible area as the "downtown area."

Due to the amendment to EC 2.945(2), the reference to "core or transit oriented areas" in EC 2.945(6)(b) should have been amended to read "downtown area." In addition, EC 2.945(6)(g) should have been deleted because that subsection refers to deleted subsection EC 2.945(2)(b) and deals solely with MUPTE in the transit oriented area.

Please effect a scrivener error correction so that EC 2.945(6)(b) reads as follows:

"(b) The project is located within the boundaries of the downtown area described in subsection (2) above;"

Please also effect a scrivener error correction to delete subsection (g) from EC 2.945(6) and reletter the subsequent subsections.

This correction is authorized by Ordinance No. 20479. A copy of this memo should be attached to that Ordinance.

ADMINISTRATIVE ORDER NO. 53-12-01-F
of the
City Manager

**AMENDMENT OF MULTIPLE-UNIT HOUSING PROPERTY TAX
EXEMPTION STANDARDS AND GUIDELINES RULE R-2.945 AND
REPEAL OF ADMINISTRATIVE ORDER NOS. 53-09-01-F AND 53-11-05.**

The City Manager of the City of Eugene finds that:

- A.** Section 2.019 of the Eugene Code, 1971, (“EC”) authorizes the City Manager to adopt rules for administration of provisions of the Eugene Code. EC 2.945 authorizes the City Manager to adopt Standards and Guidelines for processing applications for multiple-unit housing property tax exemptions.
- B.** On March 30, 2009, Administrative Order No. 53-09-01-F was issued adopting amendments to the Multiple-Unit Housing Property Tax Exemption (“MUPTE”) Standards and Guideline Rule R-2.945.
- C.** On September 26, 2011, the City Council adopted Ordinance No. 20479 which amended EC 2.945 and 2.947. The amendments included extending the MUPTE application and construction completion deadlines to January 1, 2022, and amending the MUPTE program boundaries.
- D.** On December 14, 2011, Administrative Order No. 53-11-05 was issued temporarily amending the MUPTE Standards and Guidelines to extend the MUPTE application and construction completion deadlines to January 1, 2022. Administrative Order No. 53-11-05 will expire on June 11, 2012.
- E.** In order to make the amendments to amend the Standards and Guideline provisions permanent and to amend the provisions to reflect changes to the MUPTE program boundary, on May 17, 2012, I issued Administrative Order No. 53-12-01 proposing to make the necessary amendments.
- F.** Notice of the proposed rule amendment was published in the Register-Guard Newspaper on May 21, 22, 23, 24 and 25, 2012. Notice was also made available to persons who had requested such notice, and provided that written comments would be received for a period of 15 days from the first date of publication. No comments were received within the time or in the manner provided in the Notice.

BASED UPON the above findings which are adopted, and pursuant to the authority contained in Sections 2.019 and 2.945 of the Eugene Code, 1971, Administrative Order Nos. 53-09-01-F and 53-11-05 are repealed and Multiple-Unit Housing Property Tax Exemption Standards and Guidelines Rule R-2.945 is amended to provide as follows:

**MULTIPLE-UNIT HOUSING PROPERTY
TAX EXEMPTION STANDARDS AND GUIDELINES RULE R-2.945**

R-2.945-A **Definitions.** For purposes of these rules, the following words and phrases mean:

City Manager. The City Manager of the City of Eugene, or his or her designee.

Core area. The area described in section 2.945(2) of the Eugene Code.

Historic Locale. A building that has historic, cultural and/or architectural significance, locally, regionally, or nationally. A historic locale can also include a building acknowledged by the Eugene Historic Review Board as strongly or possibly eligible for City Landmark or National Register listing.

Historic structure. Any building, structure or object which has been identified as a primary or secondary historic resource (strong or possible eligibility for city landmark or National Register status) in a survey acknowledged by the Eugene Historic Review Board and the State Historic Preservation Office, or which is an "historic property" as that term is defined by section 9.0500 of the Eugene Code.

Lender. Any person who makes a loan, secured by a recorded mortgage or trust deed, to finance the acquisition, construction, addition or conversion of multiple-unit housing.

Low-income housing assistance contract. An agreement between a public agency and a property owner that results in the production, rehabilitation, establishment, or preservation of housing affordable to those with a defined level of household income.

Multiple-unit housing.

 (1) Housing subject to a low-income housing assistance contract with an agency or subdivision of this state or the United States; or

 (2) Newly constructed structures, stories or other additions to existing structures, and structures converted in whole or in part from other use to dwelling units that meet the following criteria:

- (a) The structure must have five or more dwelling units;
- (b) The structure must not be designed or used as transient accommodations, including but not limited to hotels and motels; and
- (c) The structure must have those design elements benefitting the

general public pursuant to section R-2.945-G.

Pedestrian connection. A continuous, unobstructed, reasonably direct route between two points that is intended and suitable for pedestrian walkways, stairways and pedestrian bridges. On developed parcels, pedestrian connections are generally paved. In parks and natural areas, pedestrian connections may be soil or bark pathways. On undeveloped parcels and parcels intended for redevelopment, pedestrian connection may include rights-of-way or easements for future pedestrian improvements.

Potential historic structure. Any building or structure which is older than 50 years in age and located in an area of the City which has not been canvassed as part of a historic resource survey acknowledged by the Eugene Historic Review Board and the State Historic Preservation Office.

R-2.945-B Program Purpose and Boundaries.

1. The purpose of the program is to:
 - 1.1 Stimulate the construction of transit supportive multiple-unit housing in the City's downtown area in order to improve the balance between the residential and commercial nature of those areas, and to ensure full-time use of the areas as places where citizens of the community have an opportunity to live as well as work;
 - 1.2 Encourage the development of vacant or under-utilized sites in the downtown area, rather than sites where sound or rehabilitable multiple-unit housing exists;
 - 1.3 Encourage the development of multiple-unit housing, with or without parking, in structures that may include ground-level commercial space;
 - 1.4 Encourage the development of multiple-unit housing, with or without parking, on sites with existing single-story commercial structures;
 - 1.5 Encourage the development of multiple-unit housing, with or without parking, on existing surface parking lots; and
 - 1.6 Preserve existing publicly-assisted housing that is affordable to low-income persons by providing the incentives authorized in ORS 307.600 to 307.637 to existing multiple-unit housing subject to a low-income housing assistance contract with an agency or subdivision of this state or the United States.
2. The program shall emphasize:
 - 2.1 The development of multiple-unit housing, with or without parking, in

structures that may include ground-level commercial space;

2.2 The development of multiple-unit housing, with or without parking, on sites with existing single-story commercial structures; and

2.3 The development of multiple-unit housing, with or without parking, on existing surface parking lots.

3. The program shall result in the preservation, construction, addition or conversion of units at rental rates or sale prices accessible to a broad range of the general public.

R-2.945-C Eligible Structures.

To be eligible for local property tax exemption hereunder, a structure must:

1. Be multiple-unit housing as defined above, which:

1.1 In the case of the construction, addition, or conversion of multiple-unit housing, the construction, addition, or conversion must be completed on or before January 1, 2022;

1.2 In the case of housing subject to a low-income housing assistance contract with an agency or subdivision of this state or the United States, the application for exemption was made on or before January 1, 2022.

2. Be located within the downtown area; and

3. Meet the approval criteria set forth in these Standards and Guidelines.

R-2.945-D Application for Exemption for Housing Subject to a Low-Income Housing Assistance Contract.

1. On or before February 1 immediately preceding the first assessment year for which exemption is requested, the applicant shall submit to the City Manager, on a form provided by the City, an application for exemption, containing the following information:

1.1 The applicant's name, address, and telephone number;

1.2 A legal description of the property or the assessor's property account number for the site;

1.3 A written description of the existing use of the property, including a justification for the elimination of, or a plan for the relocation of existing sound or

rehabilitable housing located on the property; and

1.4 Any other information required by state or local law or requested by the City or which is otherwise reasonably necessary to effectuate the purposes of this program.

2. The applicant must also attach to the application the low-income housing assistance contract that has been executed with the agency or subdivision of this state or the United States.

3. The application shall be verified by oath or affirmation of the applicant and submitted with an application processing fee to be set by the City Manager pursuant to Section 2.020 of the Eugene Code, 1971. The application fee shall include the amount to be paid to the County Assessor as the County's agreed processing fee for those applications receiving Council approval. The amount of the basic fee shall be prominently displayed on the application, together with a statement that the applicant may be required to pay other reasonable costs, including publication costs and appraisal costs, if any are incurred by the City or the County in processing the application. Any additional costs shall be paid to the City by the applicant prior to the granting of any final approval. If the application is approved, the City shall pay the application fee to the County Assessor for deposit in the County General Fund, after first deducting that portion of the fee attributable to its own administrative costs in processing the application. In the event an application is denied, the City shall retain that portion of the application fee attributable to its own administrative costs and shall refund the balance to the applicant.

R-2.945-E Application for Exemption for New Construction, Additions, or Conversions.

On or before February 1 immediately preceding the first assessment year for which exemption is requested, the applicant shall submit to the City Manager, on a form provided by the City, an application for exemption, containing the information required in section (1) of Rule R-2.945-D, and the additional information as follows:

1. A schematic drawing, drawn to a minimum scale of one inch equals 16 feet (1" = 16'), which shows the site plan and major features and dimensions of the proposed development, and a schematic drawing, drawn to a minimum scale of one inch equals 16 feet (1" = 16'), that shows both a side and front elevation of the proposed development;

2. A written statement which:

2.1 Pinpoints the location of the proposed development;

2.2 Describes the number, size, and type of dwelling units, and dimensions of structures;

2.3 Identifies public and private access, parking and circulation plans, and landscaping uses; and

2.4 Describes the public benefit(s) in section R-2.945-G which the applicant proposes to include in the project; and

3. Information on the costs and financing for the housing and other information required by the City on the financial feasibility of the project.

4. The application shall be verified by oath or affirmation of the applicant and submitted with an application processing fee to be set by the City Manager pursuant to Section 2.020 of the Eugene Code, 1971. The application fee shall include the amount to be paid to the County Assessor as the County's agreed processing fee for those applications receiving Council approval. The amount of the basic fee shall be prominently displayed on the application, together with a statement that the applicant may be required to pay other reasonable costs, including publication costs and appraisal costs, if any are incurred by the City or the County in processing the application. Any additional costs shall be paid to the City by the applicant prior to the granting of any final approval. If the application is approved, the City shall pay the application fee to the county assessor for deposit in the county general fund, after first deducting that portion of the fee attributable to its own administrative costs in processing the application. In the event an application is denied, the City shall retain that portion of the application fee attributable to its own administrative costs and shall refund the balance to the applicant.

R-2.945-F Duration of Tax Exemption.

1. Except as provided in subsection 2 of this section, the maximum term of a tax exemption for any multiple-unit housing project is ten years.

2. For a multiple-unit housing project under an existing low-income housing assistance contract, the exemption may extend through June 30 of the tax year in which the contract expires.

3. If the City Manager recommends the approval of an application, the City Manager shall recommend a grant of the maximum permissible term. The final determination of the exemption term will be made by the City Council.

R-2.945-G Approval Criteria for New Construction, Additions, or Conversions.

1. **Public Benefit.** The City Council places a great deal of importance on adding high quality housing to the downtown area. Therefore, applicants must respond in writing as to how each of the following eight public benefits relate to the proposed project. Based on an

applicant's written response and other materials included with the application, the City Manager will award each project a certain number of points using the public benefit criteria described below. Council will consider the number of points awarded when determining whether to grant the application.

Benefit

Points

1.1 Density. The MUPTE program is designed to encourage higher density housing and redevelopment in the City's downtown area. Therefore, points will be awarded to a project based on the degree to which the project exceeds the minimum density requirements for that location.

Criteria / Tier 1: Project is located on a site officially designated as an "opportunity site: as that term is defined by the City Council.

100 pt.

Criteria / Tier 2: 10 points awarded for each unit in excess of the minimum required density. (50 point maximum)

50 pt. max.

1.2 Green Building Features and Quality of Building Materials.

Criteria (Option 1): For projects seeking Leadership in Energy & Environmental Design (LEED) certification, the applicant must submit the LEED Registration Number, Project Checklist and narrative describing the project's green elements. The LEED Project Checklist must demonstrate an award of at least five points more than the minimum needed for certification. *(If an applicant is awarded points under this paragraph and is granted a MUPTE, the applicant must submit documentation of LEED certification (copy of USGBC Rating Certificate and final LEED review) no more than 18 months after receiving a Certificate of Occupancy. If this documentation is not timely submitted, the MUPTE may be revoked.)*

100 pt.

Criteria (Option 2): For projects where LEED certification would not be feasible, but where the applicant intends to utilize green practices, the applicant may demonstrate the intent to earn an Earth Advantage Certification by submitting an Earth Advantage Points Worksheet and narrative describing green elements as part of the MUPTE application. *(If an applicant is awarded points under this paragraph and is granted a MUPTE, the applicant must submit documentation of Earth Advantage certification no more than 18 months after receiving a Certificate of Occupancy. If this documentation is not timely submitted, the MUPTE may be revoked.)*

Earth Advantage Platinum

75 pt.

Earth Advantage Gold

50 pt.

Earth Advantage Silver

25 pt.

1.3 Mixed Income.

Criteria: Ten points awarded for each housing unit dedicated to controlled income and rental housing that is affordable to a household at 60% of median income as published each year for the Eugene-Springfield area by the United States Department of Housing and Urban Development (HUD). The applicant must provide a written certification of the number of housing units dedicated to controlled income and rental housing on a form provided by the City.

10 pt./unit

1.4 Homewonership.

Criteria: At least 50% of the project is dedicated to homeownership.

100 pt .

1.5 Accessibility. The building code requires that projects include Americans with Disabilities Act (ADA) adaptable units (the number depends on specific project details). For a unit to be adaptable, it must have the structural enhancements necessary for the installation of specific accessible features (grab bars, hallway width, etc.). ADA accessible units have already been adapted and include specific features.

Criteria: Ten points are awarded for each ADA accessible unit.

10 pt./unit

1.6 Historic Sensitivity. Any application for a project that is immediately adjacent or contiguous to a historic locale shall include a plan to mitigate impacts to the historic locale.

Criteria: Project preserves and enhances an existing historic locale, as evidenced by a concept plan that has been reviewed and accepted by a Planning & Development Department staff person with expertise in design and historic preservation.

25 pt.

1.7 Location. Increased multiple-unit development in the heart of downtown is both important and particularly challenging due to increased property and construction costs. Proposals for projects located within the adopted "Downtown Plan Area" are worthy of added consideration.

Criteria: Project is in the Downtown Plan Area.

100 pt.

1.8 Parking (Applicable only in Residential Parking Permit Program (RPP) zones). The Land Use Code requires one parking space per dwelling unit, except in parking-exempt zones. In RPP zones, the City has acknowledged a parking shortage and has developed a permit program for residential street parking.

Criteria: Ten points for each parking space provided beyond what is required by the Code when the proposed project is

10 pt./space

located in an RPP zone.

2. **Compliance with Local Law.** The proposed construction, addition or conversion project is or will be, at the time of completion, in conformance with all local plans and planning regulations, including special or district-wide plans developed and adopted pursuant to ORS chapters 195, 196, 197, 215 and 227, that are applicable at the time the application is approved

3. **Local Standards.** The proposed project must comply with the following additional standards:

3.1 **Utilization of the Proposed Project Site.**

3.1.1 **Removal of Historic Structure or Potential Historic Structure.** No exemption shall be granted for any property where a historic structure or potential historic structure has been demolished or removed from the property within the two years immediately preceding the date of application for the exemption. This restriction shall be waived if the owner of the property gave notice of the intent to demolish or move the structure to Eugene Planning staff responsible for historic review issues at least 60 days before the owner's application for a demolition or moving permit from the City.

3.1.2 **Justification for Elimination of Existing Housing.** No exemption shall be granted for any property on which any housing unit has been demolished or removed from the property within the two years immediately preceding the date of application for the exemption. This restriction shall be waived if the proposed project increases the number of dwelling units by 50% from what previously existed or if it replaces the old dwelling units by significantly larger dwelling units that will accommodate families.

4. **Public Benefit Beyond the Period of Exemption.** The applicant must demonstrate that one or more of the public benefits described in the application will extend beyond the period of the tax exemption.

5. **Project Would Not be Built Without Exemption.** The applicant must demonstrate that the project as proposed could not be built but for the benefit of the tax exemption. The applicant must submit documentation, including a pro-forma and an analysis of the projected rate of return for the proposed project. This information will be reviewed by city staff and a City loan advisory committee will make a recommendation on the application.

6. **Comments from the Appropriate Neighborhood Association.** Although neighborhood association support is not a requirement for MUPTE approval, the application must include evidence that the applicant made an effort to contact the appropriate neighborhood association to share information and seek input. An applicant may show an effort to contact the appropriate neighborhood association by providing either:

- 6.1 Documentation of the applicant's attempt to solicit comments; or
- 6.2 A copy of the comments received from the neighborhood association.

Comments from the Neighborhood association, as well as other public comments, will be provided to the City Council.

R-2.945-H Recommendations on Applications.

Within 90 days from the date an application is filed, the City Manager shall:

1. Review the application and all supportive material to verify that the applicant has provided the information required and notify the applicant of any omissions.
2. Publish a one column, 3" minimum display ad in the Register Guard soliciting recommendations or comments from the public. The ad will advise that written comments may be submitted to the City for a period of 30 days from the first publication date. Recommendations or comments shall also be solicited from the neighborhood group(s) (if any).
3. Recommend to the Council that the application be denied, approved, or approved subject to conditions. The recommendation shall set forth specific findings in support of the City Manager's recommendation, based upon these Standards and Guidelines, Council resolutions and ordinances, applicable State statutes, and the written comments received. The written comments shall be forwarded to the City Council with the City Manager's recommendation.

R-2.945-I Compliance Review for New Construction, Additions or Conversions.

Following approval of an application for tax exemption by the Council and immediately prior to the commencement of construction, the applicant shall review the working drawings and other documents with the City Manager. If construction commenced prior to Council approval of a tax exemption, the applicant shall review the construction documents and other documents with the City Manager prior to completion of construction to ensure that the project will comply with the approval conditions upon completion.

R-2.945-J Reports.

If requested by the Council, the City Manager shall submit reports to the Council for transmittal to the House and Senate Revenue Committee of the Oregon Legislature describing the effect of this program in the City of Eugene. The reports shall describe the number of housing developments and residential units to which the exemption applies, the value of the developments constructed, the value of the tax exemptions granted, and the general effectiveness of the property tax exemption as an incentive for construction of housing. The reports shall be

submitted to the Council sufficiently in advance so as to permit the Council to file them at least 60 days prior to the beginning of each regular legislative session.

Dated and effective this 12 day of June, 2012.



Jon R. Ruiz
City Manager

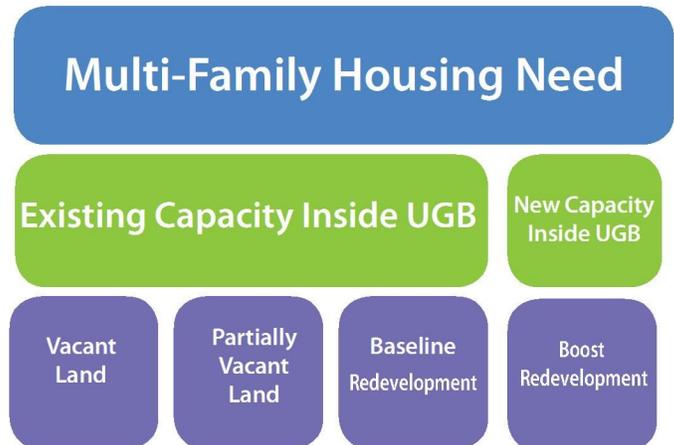
Envision Eugene - Technical Summaries

Land for Multi-family Homes

Medium Density Residential and High Density Residential Land

There are several components that help determine whether we have sufficient land to meet our future land need for multi-family housing, including:

- Housing Need
- Existing Capacity inside the UGB
- Measures to Create New Capacity inside the UGB
- Remaining Need



Multi-family Housing Need

Eugene’s population is expected to increase by approximately 34,000 people over the next 20 years. Based on this population growth, it is estimated that approximately 15,000 new homes will be needed in that time frame. The housing demand is further refined to estimate how many of those 15,000 homes should be planned as single-family housing (such as conventional single-family homes, manufactured homes, and secondary dwelling units) and how many should be planned as multi-family housing (such as duplexes, apartments and condominiums).



Duplex

The current mix of housing types in Eugene is 61% single-family/ 39% multi-family. The preliminary recommendation is to plan for new housing to be a mix of 55% single-family/45% multi-family. We currently have a lack of housing that is affordable for people in the low to moderate income levels due to several factors. These can include the average wage and the availability of housing at different price ranges and rent levels. The proposed housing mix is intended to expand the variety of housing types and prices available and to move towards the vision set out in the Envision Eugene pillars. That vision includes more compact growth for a shifting demographic towards an aging population and smaller household size. At the end of the 20-year planning period, this will equate to an overall housing mix of 60% single-family/ 40% multi-family, counting both existing and new housing. Resulting in a 1% shift in our overall housing makeup, this is a reasonable target to set for the next 20 years. Go to [this link](#) for additional information on housing mix.



Prairie View Affordable Housing

The number of new homes and the type of land that we need to plan for under various housing mixes is shown in the table below. Additional information about single-family housing is provided in the Technical Summary n page 4-1.

		Recommendation			
	60 SF / 40 MF	55 SF / 45 MF	50 SF / 50 MF	45 SF / 55 MF	40 SF / 60 MF
Single-family Housing Demand (LDR Land)	9,301 homes	8,682 homes	8,006 homes	7,305 homes	6,726 homes
Multi-family Housing Demand (MDR & HDR Land)	5,681 homes	6,301homes	6,977 homes	7,676 homes	8,256 homes

Existing Capacity Inside the UGB

The majority of multi-family housing occurs on lands designated or planned in the Metro Plan for Medium Density Residential (MDR) and High Density Residential land (HDR). The primary difference between MDR and HDR is the amount of density (or homes per acre) that can occur on those lands. MDR has a density range of 10 to 20 homes per acre, while HDR densities has over 20 homes per acre.

Vacant Lands

Vacant lands include lots that are planned for multi-family housing that currently have no development on them.

- Approximately 1,974 multi-family homes can be accommodated on vacant MDR land
- Approximately 1,460 multi-family homes can be accommodated on vacant HDR land

Go to [this link](#) for a map showing the location of vacant lands.

Partially Vacant Lands

Partially vacant lands include lots that are planned for multi-family housing and are .5 acre or greater in size in MDR and 1 acre or greater in size in HDR that have some level of existing development with the potential for accommodating additional housing.

- Approximately 2,364 additional multi-family homes can be accommodated on partially vacant MDR land
- Approximately 231 additional multi-family homes can be accommodated on partially vacant HDR land

Go to [this link](#) for a map showing the location of partially vacant lands.

Redevelopment means expanding or replacing buildings on land that is already developed, but not to its full capacity. “Baseline” redevelopment is the natural amount of redevelopment we expect to occur without additional actions taken by the city. The following categories are all considered Baseline Redevelopment. Go to [this link](#) for more information on Eugene’s redevelopment potential.

Redevelopment on MDR and HDR Lands

Redevelopment lands include lots that are planned for multi-family housing and are less than .5 acre in size in MDR and less than one acre in size in HDR that have some level of existing development that may be converted to more intensive residential use in the next 20 years. In Eugene, there is a strong likelihood that redevelopment will continue on MDR and HDR land according to past trends, which on average accommodated about 31 additional homes each year.

- Approximately 253 additional multi-family homes can be accommodated through redevelopment on MDR land
- Approximately 368 additional multi-family homes can be accommodated through redevelopment on HDR land

Redevelopment on Commercial Lands

Multi-family housing, particularly high density housing, can also take place on Commercially designated lands. Based on a market analysis and local expertise, there is a strong likelihood that multi-family homes will be provided on Commercially designated lands.

- Approximately 645 additional high-density multi-family homes can be accommodated through redevelopment on Commercial land

Redevelopment for Student Housing on Commercial Lands

Student housing is a unique economic situation in this community because it currently has a higher feasibility to be profitable than other types of multi-family housing development. Based on a market analysis and local expertise, there is a strong likelihood that multi-family student housing will be provided on Commercial lands.

- Approximately 791 additional high density multi-family homes can be accommodated through redevelopment on Commercial land

The total existing capacity inside the UGB is for 4,591 homes on MDR land and 3,495 homes on HDR land.

Remaining Need

Re-designation

Some areas that are currently planned for multi-family housing (designated MDR) may be better suited for single-family housing (designated LDR). Based on location, capacity and compact development goals, a target of 236 acres of MDR land has been identified for re-designation to LDR, which equates to a reduction in capacity for approximately 2,194 medium density homes. The actual properties to re-designate, and the impact on the city's supply of land for medium density housing, will be determined through future planning with property owners and service providers to determine appropriate locations for housing, parks, utilities and streets.

Additionally, re-designation of the former Naval Reserve site on 13th Avenue, east of Chambers Street, from Government and Education to Medium Density Residential will increase the city's supply of MDR land and add capacity for 30 additional multi-family homes.

Capacity changes from re-designation:

- Decrease in capacity of approximately 2,194 multi-family homes on MDR land redesignated to LDR
- Increase in capacity of approximately 30 multi-family homes on MDR land redesignated from Government and Education

The net decrease in capacity of approximately 2,164 homes is subtracted from the overall capacity for multi-family homes on MDR land. No re-designation of HDR land has been identified.

Other Uses

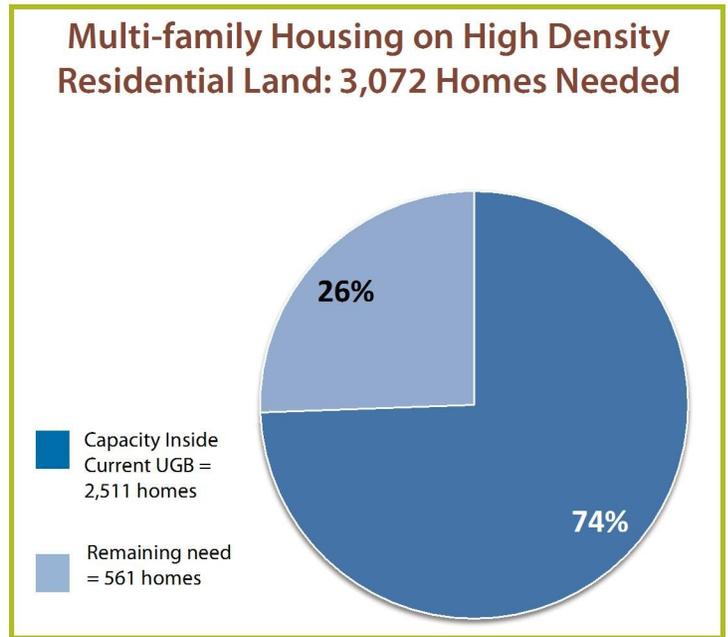
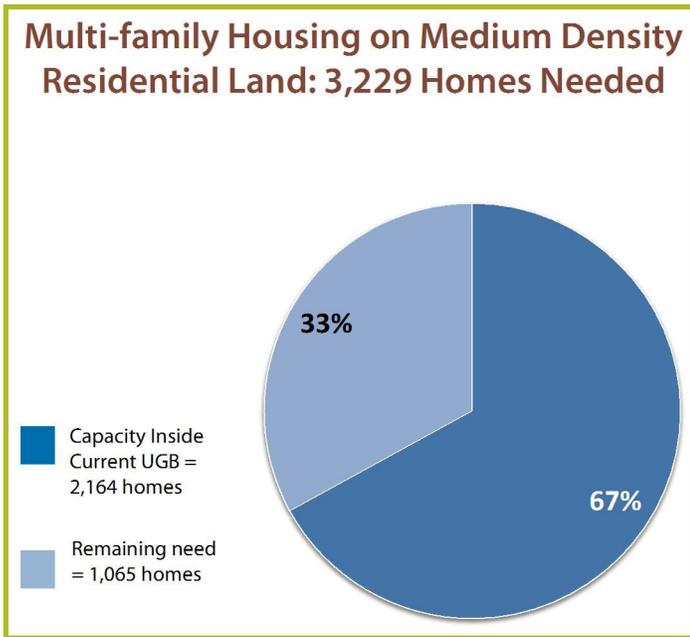
MDR and HDR lands are mostly developed with multi-family housing, although they also include a small amount of land for other uses such as single-family housing, group quarters (such as assisted living facilities), public lands (such as parks, infrastructure and the University of Oregon) and neighborhood commercial services. These uses displace capacity for multi-family housing that would otherwise occur on MDR and HDR land and this loss must be incorporated into the capacity analysis.

Capacity changes from other uses in MDR and HDR:

- Decrease in capacity of the equivalent of 263 multi-family homes on MDR land
- Decrease in capacity of the equivalent of 984 multi-family homes on HDR land

This decrease in capacity is subtracted from the overall capacity for multi-family homes on MDR and HDR land.

The remaining need for land to accommodate new multi-family housing depends on which housing mix is used. Assuming a 55% single-family/45% multi-family housing mix, the graphics below show that there is a remaining need for 1,065 units of multi-family housing on MDR land and there is a remaining need for 561 units on HDR land.



The following table shows the amount of remaining homes that will need to be accommodated in each plan designation under the various housing mix ratios. Go to [this link](#) for additional information on the multi-family housing land need.

Medium Density Residential (MDR)

		Recommendation			
	60 SF / 40 MF	55 SF / 45 MF	50 SF / 50 MF	45 SF / 55 MF	40 SF / 60 MF
Total MDR Need	2,879 homes	3,229 homes	3,501 homes	3,736 homes	4,144 homes
New and Existing Capacity inside UGB	4,591 homes	4,591 homes	4,591 homes	4,591 homes	4,591 homes
Reduced MDR Capacity from re-designation	2,164 homes	2,164 homes	2,164 homes	2,164 homes	2,164 homes
Reduced MDR Capacity from "Other Uses"	263 homes	263 homes	263 homes	263 homes	263 homes
Total MDR Capacity inside UGB	2,164 homes	2,164 homes	2,164 homes	2,164 homes	2,164 homes
Remaining MDR Need (total need minus total capacity)	715 homes	1,065 homes	1,337 homes	1,572 homes	1,980 homes

		Recommendation			
	60 SF / 40 MF	55 SF / 45 MF	50 SF / 50 MF	45 SF / 55 MF	40 SF / 60 MF
Total HDR Need	2,802 homes	3,072 homes	3,476 homes	3,940 homes	4,112 homes
Existing HDR Capacity inside UGB	3,495 homes	3,495 homes	3,495 homes	3,495 homes	3,495 homes
Reduced HDR Capacity from "Other Uses"	984 homes	984 homes	984 homes	984 homes	984 homes
Total HDR Capacity inside UGB	2,511 homes	2,511 homes	2,511 homes	2,511 homes	2,511 homes
Remaining HDR Need (Total need minus total capacity)	291 homes	561 homes	965 homes	1,429 homes	1,601 homes

Measures to Create New Capacity Inside the UGB

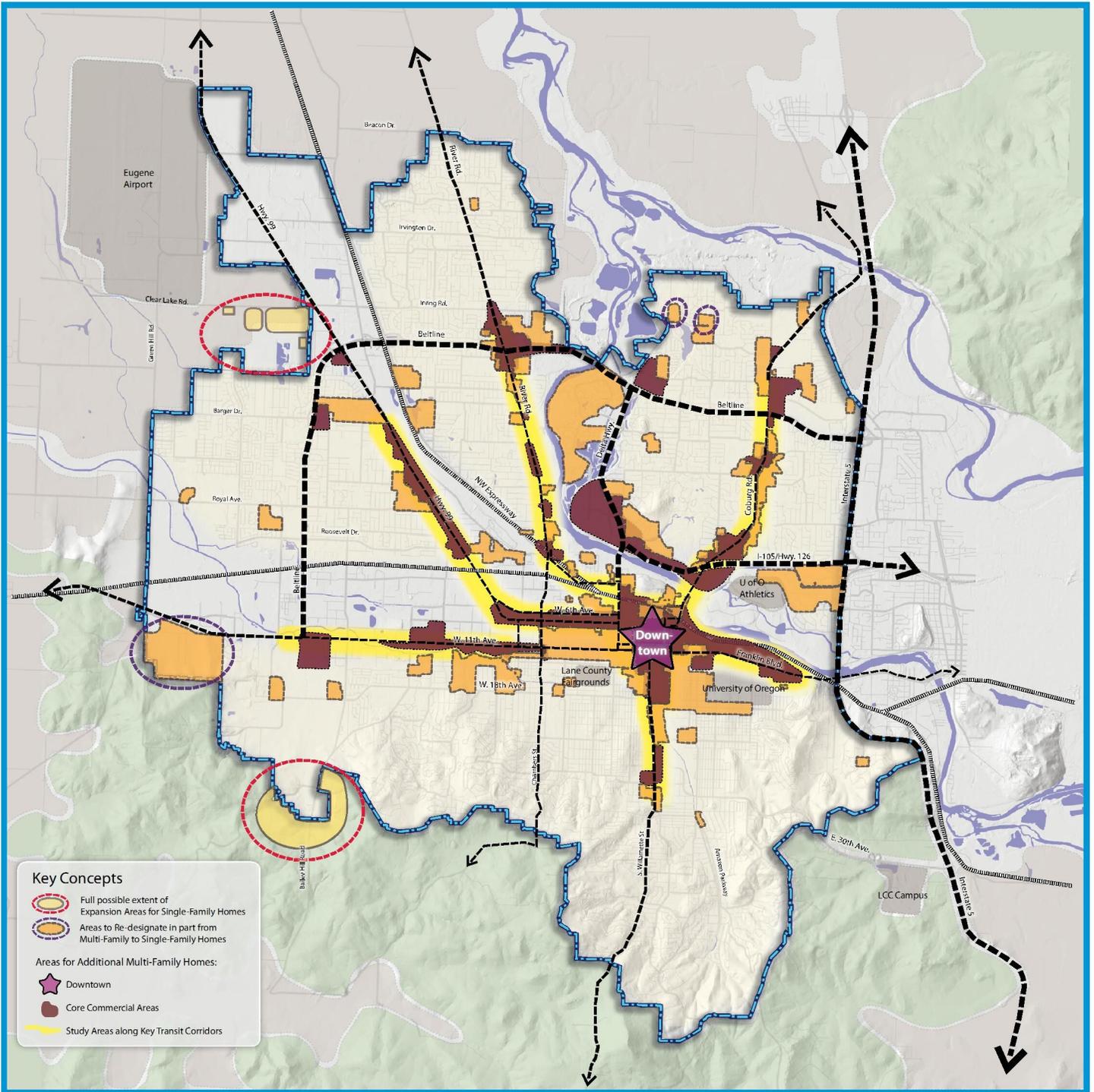


A goal of Envision Eugene is to accommodate the 20-year multi-family housing need within the exiting UGB. Therefore, the remaining multi-family housing need will be accommodated through measures that are likely to affect market forces in a way that increases the capacity for multi-family homes through the following strategies.

- Increasing the amount of redevelopment for multi-family homes in the downtown, along transit corridors and in core commercial areas. Tools to encourage additional redevelopment for multi-family housing in these areas are described in the Commercial Land Technical Summary on page 4.15. An important element to achieving higher densities in targeted areas is to design appropriate transitions from higher density uses to single-family homes. Through area planning, these transitions can be identified and planned for by using implementation tools such as a form-based code as was used in the Walnut Station area.
- Increasing the average density for multi-family homes in the downtown, along transit corridors and in core commercial areas. While the range of allowed densities is currently 10-20 units per acre for MDR land and over 20 units per acre for HDR land, average densities of 10.5 and 20.5 respectively were used to determine the existing capacity for homes inside the UGB. By encouraging higher (but currently allowed) densities in the downtown, along key transit corridors and in core commercial areas, additional capacity can be realized.
- Identifying new locations for multi-family housing through collaborative public processes such as Opportunity Siting. Opportunity Siting is a process by which neighbors, developers, and the City work to locate additional areas for multi-family homes that are compatible with their surroundings.

The success of these strategies will be monitored and evaluated throughout implementation. If these strategies are not successful at addressing the multi-family housing need, new strategies may need to be identified. Additional strategies could include re-designation of lands for more multi-family housing and/or additional expansion of the UGB.

Land for Homes



March 14, 2012

Land for Commercial Jobs

Commercial employment refers to office, retail, and service jobs. The future need for commercial employment is based in part on a job growth forecast by the Oregon Employment Department (OED) and in part on our regional economic development plan.

There are several components that help determine whether we have sufficient land to meet our future land need for commercial employment, including:

- Commercial Jobs Need
- Existing Capacity Inside the UGB
- Measures to Create New Capacity Inside the UGB



Commercial Job Need

Eugene’s population is expected to increase by approximately 34,000 people over the next 20 years. Along with an increase in population, Eugene is also expected to experience a demand for more commercial jobs. The most recent Oregon Employment Department (OED) employment forecast for Lane County identifies a job growth rate of 1.66% annually across all employment sectors over the next 10 years. The OED pre-recession forecast for Lane County was 1.4%. This rate better matches the long-term, historical trend for local job growth. Projected forward over the 20-year study period, this rate reflects a higher mid-term rate of job growth coming out of the recession followed by a more moderate rate of growth during the following decade. It is recommended that Eugene adopt a 1.4% growth rate. See the Land for Industrial Jobs Technical Summary page 4.21 for more information and rationale for the recommended job growth rate.

At a growth rate of 1.4%, Eugene will need to accommodate about 35,800 new jobs over the next 20 years. This job growth will include approximately 11,300 industrial jobs, 3,000 government jobs, and 21,500 commercial jobs (18,000 office jobs and 3,500 retail jobs). Government jobs will be accommodated on public land that is mostly inside the current UGB . The exception to this is jobs with the Bethel School District on the site that is proposed for a UGB expansion to accommodate a future school. Job growth is also expected to occur on lands already owned by public entities as well as on lands planned for future growth by employers such as the University of Oregon. For information on industrial jobs, see the Land for Industrial Jobs Technical Summary on page 4.21.

	Job Growth Rate	Total Commercial Job Need
	0.87 % (same as population growth rate)	11,800
Recommendation	1.4 %	21,500
	1.66 % (2011 OED forecast job growth rate)	26,650

Existing Capacity Inside the UGB

A certain number of jobs can already be accommodated inside the current UGB through several means, including:

- Vacant Land

About 100 acres of vacant commercial land (land that currently has no development) are still available inside the UGB, providing capacity for about 3,950 jobs.
- Partially Vacant Land

All commercial lands were studied to see if some developed properties might have some un-developed land left over. These properties are called “partially vacant.” A little over 14 acres of land was identified as partially vacant, providing capacity for about 550 jobs.
- Existing Built Space

Current vacancies in existing office buildings and retail stores can be filled with new jobs. There are also many commercial jobs that occur on non-commercial lands, for example home-based occupations or businesses. Neither of these situations require new land to accommodate about 12,100 jobs.
- Baseline Redevelopment

Redevelopment means expanding or replacing buildings on land that is already developed, but not to its full development capacity. “Baseline” redevelopment is the natural amount of redevelopment we expect to occur without additional actions taken by the City. This category has been studied from both a market perspective and a local knowledge perspective, and is currently assumed to provide capacity for about 2,750 jobs. To understand Eugene’s baseline redevelopment potential, a group of community members with expertise and interest in development issues studied a range of past redevelopment projects and trends. For more information on Eugene’s redevelopment potential, go to this [link for the Commercial Employment Supply Technical Report](#).

The total existing capacity inside the UGB is for 19,350 jobs on commercial land.

Remaining Need

Commercial lands are mostly developed with commercial office, retail and service jobs. However, they also include a small amount of land for other uses such as multi-family homes and public lands (such as parks, infrastructure and the University of Oregon). These uses displace capacity for commercial jobs that would otherwise occur on commercial land and this loss must be accounted for. The equivalent of 1,100 jobs is subtracted from the overall capacity to account for these “other uses” that occur on commercial land.

The following table shows the amount of remaining jobs at a 1.4% job growth rate that will need to be accommodated after accounting for existing capacity inside the UGB as well as for “other uses”.

Total Commercial Job Need	21,450 Jobs
Existing Capacity Inside the UGB	19,350 jobs
Reduced Capacity from “Other Uses”	1,100 jobs
Total Capacity Inside the UGB	18,250 jobs
Remaining Commercial Job Need	3,200 jobs

Measures to Create New Capacity Inside the UGB

A goal of Envision Eugene is to accommodate the 20-year commercial job need within the existing UGB. Therefore, the remaining commercial job need will be accommodated through land use efficiency strategies that are strongly likely to affect market forces in a way that increases the development and redevelopment of land for commercial jobs. Creating additional capacity for commercial employment inside the existing UGB will require specific actions by the City. There are two categories of actions, including:

- Expand code flexibility for commercial uses through redesignation on smaller, under-utilized industrial sites (generally under 3 acres in size).
- Boost redevelopment on commercial land inside the UGB by taking actions that reduce cost and risk of development and add value to an area.

Expand Flexibility

Flexibility in Industrial Areas - Campus Industrial

As discussed in the Industrial Lands Summary, Eugene currently has a surplus of small-lot industrial lands. Some of these lands are located in areas that may be more suitable for more non-retail commercial use. The Campus Industrial land use designation, and corresponding I-1 zone, is a primary example. The photo to the right shows I-1 areas in northeast Eugene near Chad Drive. To increase the potential for non-retail commercial use, as well as potential job density specifically targeting office uses, regulations may be changed for some of these Campus Industrial lands.



Further site-by-site study is required to identify which areas are best suited for commercial use and/or which regulatory changes will best achieve the goals of flexibility and job density, for example relaxation of use limitations to allow higher-density office-type jobs.

There are currently about 146 acres of vacant I-1 property available in these areas. The assumption is that at least 20 acres of small-lot I-1 property may be suitable for commercial-type uses, providing capacity for 1,088 additional commercial jobs. An equal or greater added capacity may also be gained through allowing more commercial jobs across a greater number of properties of all size categories, or across all Campus Industrial properties. The goal for this category will be to specifically target higher-density, non-retail jobs on sites generally under 3 acres in size, allowing study of opportunities for sites under 10 acres.

- This 20-acre target can provide capacity for about 1,100 additional commercial jobs.

Flexibility in Industrial Areas - West Eugene

A similar opportunity has been identified for industrial lands in West Eugene near west 11th Avenue, Chambers, and Highway 99. These areas have been discussed as part of the west Eugene Collaborative – a community group that studied transportation and land use issues in west Eugene – and during Envision Eugene. Preliminary estimates have identified around 110 acres of vacant industrial land that may have potential for commercial use. Pending further site-by-site study, the current assumption is that, with the proposed increase in flexibility, half of this land may be suitable for commercial employment. The target for this category will be re-zoning or adding flexibility through regulatory changes to allow more, higher-density office and retail jobs on sites generally under 3 acres in size, allowing study of opportunities for sites under 10 acres.



Opening up industrial lands for commercial uses will reduce Eugene's supply of industrial land. However, this proposed shift in use can be absorbed by a significant existing surplus of small-lot industrial land (under 10 acres in size).

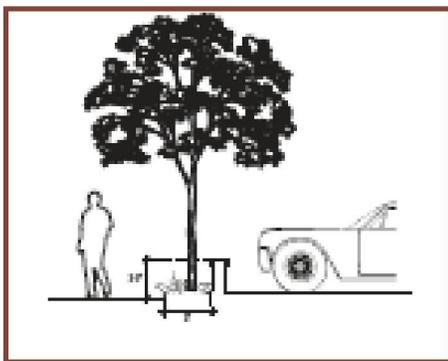
- This 55-acre target can provide capacity for about 1,700 additional commercial jobs.

Opening up industrial lands for commercial uses will reduce Eugene's supply of industrial land. However, this proposed shift in use can be absorbed by a significant existing surplus of small-lot industrial land (under 10 acres in size).

Boost Redevelopment

There are many actions that local government can take to boost the rate of redevelopment above the baseline level. Research from a variety of other communities reveals a list of the most effective tools and how they are used. Most of these are aimed at closing the "market gap" to allow more efficient use of existing lands by addressing the other two categories of intervention: reducing development cost and risk, and adding value to an area.

To accommodate additional commercial job needs, as well as meet community goals for long-term, compact urban development and transportation options, a variety of the following tools will need to be implemented.



Removing Code Barriers and Adding Flexibility

Regulations can be a significant barrier to redevelopment. Creating a simple, flexible, predictable land use code is a low-cost and highly effective means of clearing basic hurdles to redevelopment in target areas. Examples include the Whiteaker Mixed Use Area, one of the most flexible zones in Eugene, as well as the new Walnut Station form-based code.



Land Assembly

Public agencies can buy land and assemble larger parcels that are more economically viable for redevelopment, then sell them at a reduced cost or contribute the land to a partnership. Long-term tax revenue and stimulation of other projects may offset the initial investment. Examples include West Town on 8th, which combines goals of housing affordability, downtown residents, redevelopment and stimulating small enterprise through live/work units.



Grants

Applied in a variety of ways, grants help close financial gaps directly for different aspects of development. Small amounts make a difference. For example, a \$3,000 grant from a private donor with City coordination connected this small restaurant to the street with an outdoor dining area in the Blair commercial district.



Capital Improvements

Investing in public infrastructure – for example, major civic investments like the library, recent street enhancements on Broadway, parks, plazas, transit service, and other infrastructure – can increase the value of an area over time. The added value brings greater rent and lease revenues, which helps make redevelopment more feasible in these areas.



Loans

Various forms of loans, or investments that are later repaid, can help directly close the financial gap for a particular project, for example the Woolworth building on Willamette Street. In addition, business loans used to start or help grow existing businesses contribute to the vitality of an area by attracting more customers as well as potential residents.



Public/Private Partnerships

Each project has special needs, especially larger “cornerstone” projects that help stimulate other development. By working directly with developers, a public agency can use a variety of tools to meet these needs. For example, Broadway Place was made possible through land assembly and by constructing a public parking garage in conjunction with a large, private apartment complex.



Limited-duration Tax Exemptions

Reducing tax liability for a limited time can reduce operating costs enough to make a redevelopment project viable, for example with The Tate condominiums. The tax exemption requires no initial investment and provides substantially higher tax revenues after the exemption expires due to the increased value of the property.



Tax Increment Financing

Locally known as “urban renewal,” this allows the community to re-invest tax revenue from a specific area to help stimulate redevelopment in that same area. This is a source of revenue for many of the other interventions listed here, and has made redevelopment projects in downtown possible, for example the Downtown LCC Campus. Eugene has two urban renewal districts: Downtown and Riverfront. It is a highly flexible tool and gives communities the leverage and resources to do larger projects.



Multiple Interventions Working Together Over Time

Combinations of interventions can be very powerful over time in improving economic conditions for redevelopment. For example, the new LCC campus is viable due in part to the location near the downtown library and LTD station – both public investments. The associated student housing is made possible by the Broadway Place parking garage, developed as part of a public/private partnership years earlier.

All of the tools mentioned above have been utilized in Eugene to stimulate development. Additional conversations with City Council will take place over the coming months to determine which of the above actions will be most effective for accommodating the need for additional commercial employment in the future and achieving the overall goals of Envision Eugene.

- It is difficult to quantify how much capacity for additional commercial jobs will result from these actions; however, a target of 400 jobs has been identified.

The success of these strategies will be monitored and evaluated throughout implementation. If these strategies are not successful at addressing the commercial jobs need, new strategies may be needed. Additional strategies could include re-designation of lands for more commercial uses and/or additional expansion of the UGB.

