

MUPTE PROJECT: Minimum Threshold Criteria

The following are options that could be considered as “minimum threshold criteria” which each MUPTE project would be required to meet to be considered for approval.

Density
<p>OBJECTIVE: Promote compact urban development and efficient transportation options, mixed- use development, maximize the efficient use of land, and meet the multi-family housing needs within the existing Urban Growth Boundary.</p>
<p>Option 1:</p> <ul style="list-style-type: none"> • Mirror state statute – 5 or more units
<p>Option 2:</p> <ul style="list-style-type: none"> • For Mixed-Use projects (housing above commercial): 5 or more units • For Housing-only projects: Exceeds minimum density code requirement (for example, 2x minimum density)

Project Need
<p>OBJECTIVE: Verify that the project would not be built “but for” the tax exemption.</p>
<p>Option 1:</p> <ul style="list-style-type: none"> • 10-year pro forma reviewed by staff, the Loan Advisory Committee (or newly created panel, third party), and City Council. • If the overall rate of return at the end of the exemption period exceeds 10 percent (“cap”), then a payment equal to 25 percent of the earnings in excess of the cap will be made to the City. • Payments made under the cap provision shall be used by the City in support of local affordable housing needs, or other City needs.
<p>Option 2:</p> <ul style="list-style-type: none"> • 10-year pro forma reviewed by staff, the Loan Advisory Committee (or newly created panel, or third party), and City Council. • If the rate of return is projected to exceed 10 percent (“cap”) during the 10-year period, then one of the following shall be considered: <ul style="list-style-type: none"> ○ Shorten the period of exemption. ○ Applicant will have the option to add public benefit features (ex. open space, affordable units, higher quality materials). ○ Applicant will have the option to agree to make payments to the City in lieu of the tax exemption in later years.

Option 3:

- 10-year pro forma reviewed by staff, the Loan Advisory Committee (or newly created panel, or third party), and City Council.
- Based on program-wide annual financial reporting from projects, a panel shall periodically review the financial performance of projects and make recommendations regarding the ongoing need for the program, or potential program adjustments (boundary, criteria, etc.).

Green Building

Objective: Promote resource efficient buildings to help reduce energy dependence.

Option 1:

- Must meet one of the following green building standards
 - LEED Silver
 - Earth Advantage Multi-Family Silver
 - Oregon’s Reach Code
 - Enterprise Green Communities (for affordable housing)
 - Other equivalent standard approved by City

Option 2:

- Same as above, with council waiver provision for special cases.

Option 3:

- Do not include in minimum threshold criteria, include in additional public benefit criteria.

Affordable Housing

Objective: Promote a mixture of housing units at various levels of affordability to help meet the community’s diverse and changing needs.

Option 1:

- Project must make a payment equal to 10-percent of the first year tax exemption, payable upon completion of the project when the first year of tax exemption is granted. Funds would be used by the City to support affordable housing/emergency shelter.

Option 2:

- For rental projects, minimum of 20 percent of the units must be affordable to households earning 60 percent of area median household income.

Option 3:

- For rental projects, minimum of 20 percent of the units must be affordable to households earning 80 percent of area median household income.

Option 4:

- Do not include in minimum threshold criteria, include in additional public benefit criteria

Financial Reporting

Objective: Collect reliable financial data during the tax exemption for the purpose of gauging individual project performance and evaluating the need and effectiveness of the MUPTE program implementing Envision Eugene.

Option 1:

- Project required to submit annual, accountant-prepared financial statements that are reviewed by staff.

Option 2:

- Project required to submit annual, accountant-prepared annual financial statements that are reviewed by staff and a review panel, or third party.

Option 3:

- Option 1 or 2. Plus, for special cases in which financial disclosure is not available (ex. institutional investors), applicant will have the option to shorten the exemption, or make payments to the City.

Neighborhood Contact

Objective: Protect, repair, and enhance neighborhoods to ensure a high level of livability.

Option 1:

- Prior to application, applicant must solicit comments from affected neighborhood organization

Option 2:

- Do not include in minimum threshold criteria, include in additional public benefit criteria

Application Fee

Objective: Contribute to program administration and ongoing monitoring costs

Option 1:

- \$500 paid with application submission
- Additional fee of 1/20 of 1% (.0005) of the project cost, not to exceed \$10,000, paid at completion of construction

MUPTE PROJECT: Additional Public Benefit Criteria

The following are options that could be considered as “additional public benefit criteria”, some of which each MUPTE project would be expected to meet to be considered for the maximum tax exemption available.

Local Hiring
Objective: Promote local businesses and local hiring that lead our area to a higher level of economic prosperity.
Option 1: <ul style="list-style-type: none">• Greater than 50 percent of total professional services, construction contracting, and jobs must be local (based in Oregon).• Applicant must submit a plan to hire minority, women, and emerging small businesses for professional services and construction contracting.
Option 2: <p>Applicant must submit a plan to hire local professional services and construction contractors, including plan to meet minority, women, and emerging small business hiring.</p>

Housing Type
Objective: Create a mixture of housing types to meet the needs of all residents now and into the future.
Examples of Public Benefit Criteria: <ul style="list-style-type: none">• Home ownership units• Design units that are more traditional apartments (1 bedroom, 2 bedroom, family-sized), or easily converted to traditional apartments or ownership units.• Family-sized housing units (2+bedrooms configured as traditional apartments)• Inclusion of affordable housing units (or additional affordable housing units in the event that there is a minimum threshold requirement)

Location

Objective: Increase the proportion of residents that live in 20-minute neighborhoods where residents can meet most of their daily needs near their homes without the use of the automobile. Promote efficient utilization of limited land resources through the redevelopment of properties that have existing site constraints and economic barriers.

Examples of Public Benefit Criteria:

- Located within the Downtown Plan Area
- Located within economically disadvantaged areas (to be defined)
- Located on a brownfield site
- Located within close proximity to schools, groceries, and transit
- Redevelopment of valuable historic property
- Includes ground floor retail

Project Features

Objective: Promote a more urban and sustainable form of development that meets the needs of the community and enhances neighborhood livability.

Examples of Public Benefit Criteria:

- Inclusion of open space or gathering space available to the community
- Use of high quality materials
- Exceeds ADA code requirements
- Positively address neighborhood compatibility
- Embedded or structured parking
- Unit/Parking space ratio and optional parking space rental encourages alternative transportation
- Additional bike parking, parking for shared vehicles and electric vehicles

MUPTE: Other Program Considerations

The following are options that could be considered in terms of the overall MUPTE program.

Boundary
<p>Objective: Implement Envision Eugene through the promotion of compact urban development and efficient transportation options, and the protection, repair, and enhancement of neighborhood livability.</p>
<p>Option 1:</p> <ul style="list-style-type: none"> • Maintain existing Downtown Plan Area boundary
<p>Option 2:</p> <ul style="list-style-type: none"> • Expand existing boundary to include a few other targeted areas (for example, Trainsong and South Willamette)
<p>Option 3:</p> <ul style="list-style-type: none"> • Align boundary with Envision Eugene strategies to promote compact urban development and efficient transportation options (downtown, key transit corridors, and core commercial areas)

Program Volume
<p>Objective: Meet the community’s 20-year multi-family needs without compromising other community goals and desired outcomes.</p>
<p>Option 1:</p> <ul style="list-style-type: none"> • Cap the dollar amount of tax exemptions granted in any given year
<p>Option 2:</p> <ul style="list-style-type: none"> • Establish a rolling cap under which the program would be suspended when the total tax exemptions being received reach the cap • As exempt projects come onto the tax roll, availability under the cap would be created and new applications would be accepted
<p>Option 3:</p> <ul style="list-style-type: none"> • Cap the number of new units that are constructed with MUPTE, using Envision Eugene multi-family housing need as the target measurement