

# EUGENE CITY COUNCIL

## AGENDA ITEM SUMMARY



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

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Meeting Date: May 13, 2013  
Department: Planning & Development  
[www.eugene-or.gov](http://www.eugene-or.gov)

Agenda Item Number: B  
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#### **ISSUE STATEMENT**

On February 27, 2013, the council approved an ordinance suspending the Multi-Unit Property Tax Exemption (MUPTE) program to provide the time needed for council to conduct a detailed evaluation of the program and determine if modifications should be made. This work session is a continuation of the discussion related to potential modifications to the MUPTE program.

#### **BACKGROUND**

At the April 22, 2013, council work session, staff received feedback on potential modifications to the MUPTE program. The following is a summary of some of the key elements that were discussed:

- Establish minimum threshold criteria that provide a high degree of certainty relative to public benefits that are desired
- Consider a scaled/tiered system that reflects clear public benefit outcomes
- Support local hiring
- Consider the community's need for affordable housing
- Support projects that meet green building standards
- Consider options for placing a cap on the project's return on investment
- If funds are recaptured based on a cap, consider dedicating these funds to affordable housing or emergency housing needs
- Consider options for capping the volume of projects within the program
- Consider increasing the application fee to help cover program administration
- Projects should address potential positive and negative impacts to neighborhoods
- Consider expansion of the boundary in support of Envision Eugene desired outcomes, including key corridors, transit-oriented areas, and commercial centers
- Regarding the "but for" community debate, work with local developers and stakeholders to gain a better understanding of the program need

The ordinance suspending the MUPTE program expires on June 30, 2013. However, at the May 8 work session, the council provided direction to extend the suspension to July 31 to provide the additional time needed to finalize program modifications. A public hearing and council action on an ordinance extending the suspension is tentatively scheduled on May 28 and May 29 respectively.

For discussion purposes, Attachment A includes options for modifying the MUPTE program based on council input from the April 22 work session. The options are presented as specific program outcomes identified by the council (for example, “green building”) and categorized as MUPTE *minimum threshold criteria, additional public benefit criteria, and other program considerations.*

For this work session, staff is seeking council’s review of various criteria options, and direction on preferred MUPTE program criteria. This input will be used to draft refined program criteria that would subsequently be reviewed by stakeholders and the council. The following is an updated timeline for completing the MUPTE program modifications.

- May 22 Council work session
- May 28 Public Hearing – Ordinance extending MUPTE suspension
- May 29 Council action – Ordinance extending MUPTE suspension
- June 17 Public Hearing – Ordinance on new MUPTE criteria
- June 24 Council action – Ordinance adopting new MUPTE criteria

## **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 we foster a creative economy, 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 additional feedback from the council regarding potential changes to the existing MUPTE program.

**CITY MANAGER'S RECOMMENDATION**

The City Manager will use council input obtained in this work session to continue refining MUPTE program modifications for future council consideration.

**SUGGESTED MOTION**

No motion proposed at this time.

**ATTACHMENTS**

A. MUPTE Program Options

**FOR MORE INFORMATION**

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