

# EUGENE CITY COUNCIL

## AGENDA ITEM SUMMARY



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

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Meeting Date: November 18, 2013  
Department: Planning & Development  
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Agenda Item: A  
Staff Contact: Denny Braud  
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#### **ISSUE STATEMENT**

This work session is a continuation of the discussion on potential MUPTE program reforms.

#### **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 tax exemption for up to 10 years on qualified new multi-unit housing investments that occur within a specific targeted area, meet program requirements, and are reviewed and approved by the council. The MUPTE program is currently suspended through July 31, 2014.

The council has thus far met to discuss the MUPTE program at work sessions on April 22, May 13, June 24, and at a meeting on July 24. The council received input from key stakeholders at a workshop on May 22. At the last work session on July 24, the council took action to extend the MUPTE suspension in order to continue reviewing the program criteria to insure that community benefits are achieved, and to provide an opportunity to engage the community and stakeholders in the process of reforming the program. Additionally, the council highlighted the importance of:

- Aligning the MUPTE tool and availability of the tool with the goals of Envision Eugene
- Consideration of affordable housing needs and the role that MUPTE can play in advancing this goal
- Local hiring and the need to support local businesses and talent
- Identifying community benefits and the need for MUPTE projects to advance community goals
- Thoughtful and timely reforms that can be implemented to support redevelopment opportunities

Based on the feedback to date, staff has included some new revisions to the draft MUPTE criteria for the council to consider (see Attachment A). The primary changes are:

- Elimination of student housing projects (as defined in the Attachment A criteria) from MUPTE program eligibility
- Increased and revised affordable housing fee structure (paid in lieu of providing affordable units) to require an annual fee on 20 percent of the project units
- New Minimum Threshold Criteria related to project design
- Recommendation that MUPTE-eligible areas initially be focused within the Downtown Plan Boundary, Mid-Town, South Willamette, and Trainsong areas

In order to meet the council's goal for a thorough and timely program reform process, staff will lead a discussion that will support the council in developing revised draft MUPTE criteria, identifying potential program boundary areas, identifying opportunities for community and stakeholder input, and establishing an adoption timeline. The following process steps have been identified:

- Council provides direction on the recommended program criteria, boundary options, and public involvement
- Stakeholders and the community provide input particularly focused on the draft revisions and boundary considerations
- Council consideration of revised criteria based on input received from stakeholders and the community
- Hold a public hearing on a new MUPTE program ordinance
- Council consideration and adoption of new MUPTE ordinance
- Designation of a MUPTE Review Panel charged with reviewing and making recommendations on individual applications, and monitoring ongoing program performance
- New MUPTE program implemented

### **COUNCIL OPTIONS**

1. Direct the City Manager to move forward with a MUPTE process agreed on during this work session based on the draft criteria included in Attachment A.
2. Amend the draft criteria included in Attachment A, and direct the City Manager to move forward with a MUPTE process agreed on during this work session.
3. Take no action and continue the discussion on MUPTE program reform at another work session.

### **CITY MANAGER'S RECOMMENDATION**

The City Manager recommends moving forward with the MUPTE process agreed on during this work session based on the draft criteria included in Attachment A.

### **SUGGESTED MOTION**

Move to direct the City Manager to move forward with the MUPTE process agreed to by the council at this work session based on the draft criteria included in Attachment A, and bring back a

final recommendation for council consideration prior to scheduling a public hearing on an ordinance to adopt MUPTE program revisions.

**ATTACHMENTS**

A. Revised Draft - MUPTE Program Criteria

**FOR MORE INFORMATION**

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