

# EUGENE CITY COUNCIL

## AGENDA ITEM SUMMARY



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

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Meeting Date: July 13, 2015  
Department: Planning & Development  
[www.eugene-or.gov](http://www.eugene-or.gov)

Agenda Item: A  
Staff Contact: Denny Braud  
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#### **ISSUE STATEMENT**

The council will review an ordinance on potential Multi-Unit Property Tax Exemption (MUPTE) program reforms with an opportunity to take action. On July 8, the council provided direction on what to include in the final ordinance.

#### **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 targeted area, meet program requirements, and are reviewed and approved by the council.

The MUPTE program is currently suspended through September 1, 2015. MUPTE is a critical component to Envision Eugene. Coupled with Area Planning, it is a critical tool necessary to address future multi-family housing needs in the downtown, along key corridors, and near core commercial areas. Envision Eugene is moving towards completion, with the formal adoption process anticipated to begin in fall 2015.

The council's review of possible program changes began in 2013 with involvement from the following stakeholder groups: neighborhoods; Housing Policy Board committee for feedback specifically related to Affordable Housing criteria; development-related fields including three developers, an appraiser, and a banker; construction industry, including general contractors, specialized trades, and union representatives; Human Rights Commission subcommittee, and the Technical Resource Group (TRG) comprised of community members with expertise in real estate, land use, and business.

#### **RELATED CITY POLICIES**

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

##### *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.
- o Provide housing affordable to all income levels.
- o Plan for Climate Change and Energy Resiliency.
  - Make energy efficiency in buildings and vehicles the first line of action in reducing energy dependence and greenhouse gas emissions.
  - Align incentives, costs and City processes to promote resource efficient buildings, smaller homes and development towards the city core.

#### *Regional Prosperity Economic Development Plan*

- o 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*

- o Increased downtown development

#### *Eugene Downtown Plan*

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

#### *Climate and Energy Action Plan*

- o Buildings & Energy Section:
  - Objective 2: Reduce GHG emissions from new construction by 50 percent by 2030.
  - Action 2.2: Increase incentives for highly energy-efficient new buildings aiming toward net zero energy and carbon neutral buildings.
- o Land Use & Transportation Section:
  - Objective 11: Increase density around the urban core and along high-capacity transit corridors.

- Action 11.1: Zone future commercial and high-density residential uses in and around the urban core, and along EmX and other high-capacity transit corridors to accommodate urban growth.

*Climate Recovery Ordinance*

**COUNCIL OPTIONS**

Council may consider the following options

1. Adopt the ordinance (to be provided by Friday, 7/10).
2. Amend and adopt the ordinance.
3. Take no action at this time and continue discussions at a future work session.

**CITY MANAGER'S RECOMMENDATION**

The City Manager recommends adoption of the ordinance.

**SUGGESTED MOTION**

Move to adopt Council Bill 5142, an ordinance amending the MUPTE program.

**ATTACHMENTS**

None

**FOR MORE INFORMATION**

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