

MINUTES

**Eugene City Council
Harris Hall, 125 East 8th Avenue
Eugene, Oregon 97401**

**January 21, 2015
12:00 p.m.**

Councilors Present: George Brown, Betty Taylor, Alan Zelenka, George Poling, Mike Clark, Greg Evans, Claire Syrett, Chris Pryor

Mayor Piercy opened the January 21, 2015, City Council work session.

A. WORK SESSION: Multi-Unit Property Tax Exemption (MUPTE) Program Revisions

Mayor Piercy informally polled the council on its preference for how to proceed with the conversation.

MOTION AND VOTE: Councilor Clark, seconded by Councilor Brown, moved to put the motion back on the table. **PASSED 8:0**

Council discussion:

- Intent is not to slow down or delay MUPTE, change to 30 percent workforce housing more reasonable.
- Important to differentiate between affordable (low-cost, subsidized) housing and work force housing.
- Proposal adds transparency to process and allows for predictability.
- More information on language addressing certified payroll requested.
- Proposal adds a new dimension to MUPTE; more time needed to analyze it.
- Need to build in definitions and revisions.

MOTION ON THE TABLE AND VOTE (*friendly amendments included*): Councilor Brown, seconded by Councilor Clark, moved to direct the City Manager to revise the MUPTE ordinance so that the purpose and approval criteria ensure that projects receiving a tax exemption construct at least thirty percent (30%) of the dwelling units as workforce housing that shall be available as such for a minimum of ten years.

1. To be counted towards the 30% requirement, the rental cost of a dwelling unit must be no more than thirty percent (30%) of the Area Median Income (AMI)
2. In lieu of providing the required number of units that meet the criterion in Section (1), the owner of an approved MUPTE project shall make an annual payment to the City in the amount calculated as follows:
 - a. A payment as calculated in Section (2.b.) shall be made for a sufficient number of dwelling units, such that the number of dwelling units that meet the criterion in Section (1) plus the number of dwelling units for which an "in lieu of" payment is made is at least 50% of the dwelling units in the development.
 - b. For each dwelling unit for which an "in lieu of" payment is made, the "in lieu of" payment shall equal the difference between the annual rental or ownership costs of the dwelling unit and 30% of the AMI.
3. The City shall allocate all funds received from the provision in section 2 for affordable housing or emergency housing programs in Eugene. **PASSED 7:1**, Councilor Taylor opposed.

MOTION AND VOTE: Councilor Syrett, seconded by Councilor Evans, moved to direct the City Manager to hold a public hearing on extending the MUPTE program suspension as soon as practical, notwithstanding notice requirement of the charter to hold the public hearing on February 9. **PASSED 8:0**

MOTION AND VOTE: Councilor Clark, seconded by Councilor Zelenka, moved to request of staff the most effective way possible, short of certified payroll, to verify with certainty all the information about residency on the people working on a particular project. **PASSED 8:0**

Council discussion:

- Most construction companies are accustomed to this type of reporting.
- Proposal could be stumbling block for minority- and women-owned businesses.
- The information generated might be useful, but it will have no legal weight.
- Acknowledge that the construction industry has many transient workers.
- The State has an alternative to certified payroll for small emerging businesses.

MOTION AND VOTE: Councilor Clark, seconded by Councilor Poling, moved that the City Manager draft all necessary ordinance revisions to allow a developer to use up to 50% SDC credit on a multiple unit development of 5 units or more for the purpose of mitigating public impact within relative proximity to the development. Application for this credit must be made to council and in partnership with the affected neighborhood. **PASSED 8:0**

Council discussion:

- Provides as opportunity for neighborhoods to work with developers at the time of development.
- This is logical, makes sense and is a benefit for neighborhoods.

MOTION AND VOTE: Councilor Zelenka, seconded by Councilor Clark, moved in addition to other duties of the review panel, the panel also will be charged with reviewing and advising the city manager on individual projects' compliance with applicable requirements prior to approval, mid-way through construction, and upon completion of construction. The city manager will annually provide the information from the review panel (about compliance during and after construction) to the council as appropriate during a project and as part of the annual review of the MUPTE program. **PASSED 8:0**

MOTION AND VOTE: Councilor Syrett, seconded by Councilor Evans, moved to have the City Manager's program review panel comprised in the following manner. The city manager shall create a program review panel to provide third-party review of individual applications and of the program. The panel shall be comprised of the following members:

1. Two at-large neighborhood representatives appointed by the mayor following recommendations from neighborhood associations;
2. For individual applications, an additional two neighborhood representatives from the neighborhood in which a proposed project is located shall be nominated by the Mayor and appointed by the City Manager following recommendations from the neighborhood association; and
3. Four technical professionals shall be nominated by the Mayor and appointed by the City Manager and they shall include a representative from each of the following four groups: architects/green building specialists, developers, labor, and environmental/public health.

In order to be eligible to serve on the review panel, members must sign a confidentiality agreement in a form approved by the city manager.

The review panel shall:

1. Review projects to ensure projects that are in compliance with program criteria.
2. Review project applications, with emphasis on analyzing the project's financial projections and compliance with the criteria contained in section 2.946;
3. Conduct a review mid-way through construction to identify non-compliance with criteria contained in section 2.946, and request that the city manager require a plan from the applicant to be submitted within 20 working days to remedy the non-compliance within a reasonable amount of time;
4. Conduct a review upon completion of the project to identify non-compliance with criteria contained in section 2.946, and request that the city manager require a plan from the applicant to be submit within 20 working days to remedy the non-compliance within a reasonable amount of time;
5. If the applicant fails to provide a plan within 20 working days, or fails to remedy the non-compliance of program criteria within the reasonable amount of time, the review panel may request the city manager to take appropriate action as specified in section 2.947; and
6. Assist the city manager in preparing annual reports on the program that will also address the program volume cap.

PASSED 8:0

The meeting adjourned at 1:30 p.m.

Respectfully submitted,

/s/ Chuck Crockett

Chuck Crockett
Deputy City Recorder