

EUGENE CITY COUNCIL

AGENDA ITEM SUMMARY



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

Meeting Date: April 29, 2015
Department: Planning & Development
www.eugene-or.gov

Agenda Item: B
Staff Contact: Denny Braud
Contact Telephone Number: 541-682-5536

ISSUE STATEMENT

This work session is a continuation of the discussion on potential Multi-Unit Property Tax Exemption (MUPTE) program reforms. The council approved six motions in January (see Attachment A). The impact of those motions on the draft ordinance is described in Attachment B. Following council's review and discussion, staff will revise the draft 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 the primary strategy for addressing future multi-family housing need. Envision Eugene is moving towards completion, with the formal adoption process anticipated to begin in late spring 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. See Attachment C for additional information on the review history.

During January, the council held three work sessions to review the draft ordinance. (A public hearing on the ordinance was held on November 17, 2014.) The impact of the January 2015 council-approved motions on the draft ordinance is in Attachment A. Attachment D contains information on system development charges (SDCs) for background related to the council's approved motion for all multi-unit residential development. The City Attorney will discuss specifics at the work session. Related to the certified payroll or other effective method to collect construction worker

residency information, staff has learned that certified payroll does not actually collect information related to the residence of workers. In order to get to the same result, the MUPTE ordinance would require the City Manager to adopt, as part of administrative rules, a requirement that the developer produce information that shows the number of hours and the county of residence for each worker.

Following the council's review and discussion at the April work session, staff will revise the draft ordinance.

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.
- Provide housing affordable to all income levels.
- 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

- 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

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.

Climate and Energy Action Plan

- 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.

Climate Recovery Ordinance

COUNCIL OPTIONS

1. Direct staff to bring back an updated ordinance for council consideration.
2. Take no action at this time, and continue discussions at a future work session.

CITY MANAGER'S RECOMMENDATION

The City Manager recommends that the draft ordinance be updated with the January motions and other changes supported by the council at this work session and be brought back for council consideration.

SUGGESTED MOTION

No motion offered at this time.

ATTACHMENTS

- A. Motions Approved January 20 & 21
- B. Possible Impact of January Motions on Draft Ordinance
- C. Summary of Council's Program Review Since 2013
- D. SDC Information

FOR MORE INFORMATION

Staff Contact: Denny Braud
Telephone: 541-682-5536
Staff E-Mail: denny.braud@ci.eugene.or.us