

MINUTES

Eugene City Council Work Session Eugene, Oregon 97401

June 21, 2023
12:00 p.m.

Councilors Present: Emily Semple, Matt Keating, Alan Zelenka, Jennifer Yeh, Mike Clark, Lyndsie Leech and Randy Groves
Councilors Absent: Greg Evans

Mayor Vinis opened the June 21, 2023, work session of the Eugene City Council in a hybrid format at 101 W 10th Avenue, Eugene OR 97401.

1. **WORK SESSION: Financial Condition and Revenue Update**

City Manager Sarah Medary introduced Chief Financial Officer Twylla Miller, who provided a Financial Condition and Revenue Update.

Councilor Discussion:

- Councilor Zelenka – asked if the \$8.3 million structural gap was a short-term or long-term issue, and if it would continue to grow; asked if the proposed budget was a balanced budget, and if the budget deficit was one-time or ongoing; asked if the assumed \$8.3 million revenue increase was included in the 2025 budget; asked for clarification about the Revenue Committee’s change in focus to a Finance Committee; asked if the Finance Committee was looking at different revenue options with specific targets and services in mind; asked if Council had an opportunity to set service and funding priorities before the Finance Committee begins work; stated that it is within the Council’s purview to set spending priorities.
- Councilor Groves – believes addressing the structural gap is one of Council’s top priorities; asked what the ten-year average of tax-base growth was, and how Eugene compared to similar communities; asked for an evaluation of the impact of residential projects coming off of the Multi-Unit Property Tax Exemption; likes the idea of evaluating the City’s services and priority areas; would like staff to evaluate how City services are provided and delivered; would like an evaluation of financial liabilities the City could shed.
- Councilor Keating – clarified that this was the City’s first comprehensive, long-term financial plan; asked if residents will still have access to the online interactive budget tool; would like more information on the City’s shared responsibilities with other agencies, but not necessarily defined legal obligations; stated that his priorities are protecting the City’s municipal workforce, ensuring the City continues to adequately provide essential public safety services, and exploring new revenue options; suggested that an emergency fee on soda or high fructose corn syrup could help fill the structural gap.
- Councilor Clark – believes the structural gap is because of a slow-growing tax base, not a property tax limitation; believes the City has not adequately encouraged and enhanced tax-base growth; stated that the City has increased expenditures and used

one-time state and federal funds to balance the budget, which is not sustainable; would like a comparison between the services the City is mandated to provide and the services the City has chosen to provide; would like more information on what the City is required to provide in terms of shelter for people; believes the City should explore how to expand the tax base, as well as how to cut growing expenditures.

- Councilor Semple – acknowledged that the funding situation had evolved since the Community Safety Revenue meetings; appreciates that the current discussion includes the General Fund and structural gap; asked about the current state of the fleet garage, and how a new fleet garage compares to a new fire station; does not support a tax on sugary products and posed questions on how the tax would apply to sugar free options.
- Councilor Yeh – supports the expanded focus of the Finance Committee and believes the changes give the group more flexibility; asked if a discussion of the Council’s funding priorities was necessary; concerned that a discussion of Council funding priorities would slow the work of the Finance Committee; hopes the Finance Committee can begin work quickly.
- Councilor Leech – believes that the structural gap must be addressed before other priorities; thinks that the Finance Committee having flexibility will help with long-range planning; asked how Finance Committee members will be appointed.
- Councilor Zelenka –noted that he has some objections to the proposed process; believes the work of this committee should be done in public meetings; noted that this work was an important focus of Council.

2. **WORK SESSION: Renters Protections Phase II**

City Manager Sarah Medary introduced Rental Housing Navigator Amy Cameron, who presented on the City’s Renter Protections, Phase II.

Councilor Discussion:

- Councilor Zelenka – asked staff to create a table of the elements that are included in the draft ordinance, as well as a table of the proposed changes; would like more data comparing rent increases of five and 10 percent; would like more information about using Fair Market Rents versus the current rent amount to determine the relocation assistance payment amount; concerned that relocation assistance being determined by monthly rent disadvantages landlords when the rent is high and would reduce assistance to low-income renters; asked for more information on relocation assistance payment amounts being two versus three times monthly rent; said that landlords paying two times the monthly rent for relocation assistance is similar to renters paying first and last month’s rent upfront; supports removing the landlord compensation fund if the exemptions are in place; believes the 12 exemptions are a good starting point; believes exemption 7 could be removed; believes that exemptions 5 and 6 are legitimate; does not want to delete exemptions 9 through 12 just because the Housing Board had not discussed them.
- Councilor Keating – open to adjusting the draft ordinance to make it more likely to be upheld in a court of law, provided that other protections are passed by Council; asked how a landlord’s occupancy timeline is established; asked how “immediately uninhabitable” is defined; supports relocation assistance being available for any no-cause eviction, not just no-cause evictions in the first year of tenancy; would like

more clarity on “qualifying landlord-based reasons,” especially applied to renovations.

- Councilor Yeh – asked for clarification about whether trigger number 3 was recommended by the Housing Policy Board; asked if low-income renters would benefit most from relocation assistance based on Fair Market Rents or actual rent; said she did not understand the Housing Policy Board’s support for exemptions 2, 3, and 4 and asked for the reasoning behind the recommendations.
- Councilor Semple – concerned that landlords who charge lower rents would have to pay more relocation assistance if Fair Market Rents is used; believes that the relocation assistance should include adjustments for inflation; does not support exemptions 2 through 6, as the tenant will still need to move and landlords would have cause to evict in bad situations; agrees with exemptions 8 and 9; would like more information on how “uninhabitable” is defined; noted that if the tenant is notified before signing the lease of something that would impact them staying in the rental, they would not receive relocation assistance; believes that two months’ rent is a good compromise on the relocation assistance amount; does not support a landlord compensation fund.
- Councilor Leech – declared her potential conflict-of-interest as an owner of two rental units, but noted that she is still able to participate in discussion and action; wants more information on the effect of relocation assistance being tied to current rent versus Fair Market Rents; believes using the current rent would be easier to manage and would have clearer expectations for both landlords and tenants; is not in favor of a small landlord compensation fund; believes there is more work to be done on both triggers and exemptions before action.
- Councilor Clark – concerned about Council’s approach to Renters Protections Phase II; believes that the passage of this ordinance will negatively impact renters and the current rental market in Eugene; noted that rent control has not worked in other cities.
- Councilor Keating – stated that the current draft ordinance is not rent control; believes Renter Protections is consumer-protection legislation that can strengthen the landlord-tenant relationship; noted that over half of Eugene residents rent while less than five percent are landlords; stated that if property owners decide to sell rental properties, that could provide an opportunity for renters to become homeowners; noted several ideas about how to fund the small landlord compensation fund.

MOTON AND VOTE: Councilor Zelenka, seconded by Councilor Keating, moved to extend the meeting by ten minutes.

VOTE: 5:2 PASSED (opposed by Councilors Semple and Yeh)

- Councilor Zelenka – said that homeownership can save money compared to renting, but noted the difficulty getting into a position to purchase property; does not see Renter Protections as rent control but as no-cause eviction harm prevention and consumer protection; said that his objection to processing applications in the order received has been addressed by the proposed exemptions; believes that living in an accessory dwelling unit on a property and living within the same building as the landlord are substantially different from regular renters; recommends a public

hearing on the proposed changes; supports exemptions 2, 3, and 4; asked how a remodeling situation fits into the exemptions.

- Councilor Clark – believes that the rental market is in crisis because demand is significantly greater than the supply; noted that the solution to the rental crisis is to increase the number of rental units, not to implement consumer protections for renters; concerned that Renter Protections will hurt renters by raising rents and reducing the number of rental units on the market.
- Councilor Keating – asked staff if a local modified version of state legislation concerning relocation assistance for five or more units affected by remodeling could be adopted, if remodeling was being used as a loophole by landlords to avoid paying relocation assistance.
- Councilor Zelenka – asked if the proposed exemptions in the draft ordinance include remodeling.
- Councilor Groves – stated that landlords are important members of the community that provide a critical service; thinks there needs to be equity and balance in the City’s treatment of both landlords and tenants.
- Mayor Vinis – said that Council is looking to find the balance between protecting vulnerable renters while not unnecessarily negatively impacting landlords; noted that exemptions 2, 3, and 4 are specifically designed to protect small landlords who live onsite with tenants.

Mayor Vinis adjourned the meeting at 1:41p.m.

Respectfully submitted,



Katie LaSala
City Recorder

(Recorded by Ellie Harwell)

Link to the webcast of this City Council meeting [here](#).