



**URBAN RENEWAL AGENCY
RESOLUTION NO. 1107**

**A RESOLUTION OF THE URBAN RENEWAL AGENCY OF THE
CITY OF EUGENE CREATING A DOWNTOWN FEE
ASSISTANCE PILOT PROGRAM FOR THE DOWNTOWN URBAN
RENEWAL DISTRICT.**

PASSED: 6:1

REJECTED:

OPPOSED: Zelenka

ABSENT: Evans

CONSIDERED: May 22, 2024

RESOLUTION NO. 1107

A RESOLUTION OF THE URBAN RENEWAL AGENCY OF THE CITY OF EUGENE CREATING A DOWNTOWN FEE ASSISTANCE PILOT PROGRAM FOR THE DOWNTOWN URBAN RENEWAL DISTRICT.

The Urban Renewal Agency Board of the City of Eugene finds that:

A. The Urban Renewal Plan for the Downtown Urban Renewal District (the “Plan”) was initially adopted on July 3, 1968, by Resolution No. 257 of the Urban Renewal Agency of the City of Eugene (the “Agency”), and on December 19, 1968, by Resolution No. 1609 of the Eugene City Council. The Plan has subsequently been amended, most recently by Ordinance No. 20690, effective July 16, 2023.

B. Section 600 of the Plan authorizes the Agency to use tax increment funds to pay development fees that result in the creation of new housing within the boundaries of the Downtown Urban Renewal District (the Plan Area). Development fees paid by the Agency may include System Development Charges (SDCs), permit fees, and other government-imposed fees. Eligibility criteria must be established by the Agency Board. If a project meets the eligibility criteria for development fee assistance, Agency Board approval of expenditures of more than \$250,000 in development fee assistance for the project is not required.

C. A development fee assistance program that subsidizes fees related to construction of units of housing will make housing development downtown more financially feasible while also continuing to fund the programs and services paid for by development fees, such as infrastructure capacity and building inspection services.

D. Enabling a development fee assistance program for a five-year pilot period will allow staff to collect data and metrics on the program and to submit the data collected to the Agency Board. The Agency Board will then have the opportunity to review the effectiveness of the downtown fee assistance program and determine whether to continue the program beyond the initial five-year pilot period.

NOW, THEREFORE,

BE IT RESOLVED by the Urban Renewal Agency of the City of Eugene, as follows:

Section 1. A Downtown Fee Assistance Pilot Program for the Downtown Urban Renewal District (Downtown Fee Assistance Program) is hereby created. The Agency will use tax increment funds to pay the cost of certain government-imposed development fees for projects that meet the eligibility criteria in Section 4 of this Resolution.

Section 2. The Downtown Fee Assistance Program will be funded with tax increment funds as authorized by Section 600 of the Urban Renewal Plan for the Downtown Urban Renewal District (the Plan). The Agency Board will appropriate funds for the Downtown Fee Assistance Program as part of the Agency’s regular budgeting process.

Section 3. Development fees paid by the Agency pursuant to the Downtown Fee Assistance Program may include System Development Charges (SDCs), permit fees, and other government-imposed fees. Development fees will be paid directly to the entity collecting the fee rather than to the developer.

Section 4. To be eligible to participate in the Downtown Fee Assistance Program, a project must meet the eligibility criteria in subsections A through F of this section.

A. The project must be located within the Plan Area of the Downtown Urban Renewal District as described in Section 300 of the Plan (Plan Area) and shown in Exhibit A to this Resolution.

B. Except as provided in subsection (C) of this section, the project must result in at least the following number of new housing units:

1. Four units, if the units are newly constructed; or
2. Two units, if the building or portion of the building where the housing units are located is converted from another use to housing.

C. If the project will cause existing housing units to become uninhabitable, the project must result in a number of housing units that is at least 150% of the original number of housing units that were located on the site. (For example, if a building containing 10 housing units is demolished, to be eligible for Downtown Fee Assistance, the new building(s) on the site must contain at least 15 housing units.)

D. A housing unit supported by Downtown Fee Assistance may not be used for transient or vacation occupancy.

E. Except in the case of a conversion of a building or portion of a building from another use to housing, the project must result in a minimum residential density of 25 units per acre.

F. Projects must comply with the following urban design criteria:

1. Scale, form and quality of the building(s). Buildings are designed for the human scale, appropriate to local climate and natural resiliency, to engage the street, promote transparency, help define a sense of place, fit the neighborhood, and employ high-quality and contextually appropriate materials and colors;

2. Mixture of project elements. The proposal employs a mixture of project elements that contribute to a walkable downtown, encourage biking and transit use, enrich the streetscape, and support community comfort and safety at all hours;

3. Relationship to the street and surrounding uses. The proposal is designed to engage and enrich the streetscape, as well as respect and enhance the existing surrounding uses; and

4. Parking and circulation. Parking is designed to provide, to the greatest extent possible, locations for car sharing, integrated shared-parking strategies, electric car charging stations, and safe and attractive pedestrian/bicycle connections between parking and adjacent buildings and streets.

G. Projects must demonstrate financial need by showing that, in the absence of the Downtown Fee Assistance program, either: a) total project cost exceeds project value at stabilization; or b) the yield on cost at stabilization (net operating income divided by total project cost) is less than 6.0%. Total project cost may include imputed land cost and developer fees totaling up to 5% of hard costs, including land. Project value is based on pro forma stabilized net operating income and current capitalization rate for multi-family property in the region. Stabilization is the period that the project is projected to be fully leased.

Section 5. City of Eugene staff will review the project design to evaluate compliance with the urban design criteria at the time of application. Additionally, City of Eugene staff will review assumptions regarding rents, income, capitalization rate, and development costs that are included in the demonstration of financial need.

Section 6. The Agency Director or the Director's designee may approve or reject applications for Downtown Fee Assistance based on the approval criteria in Section 4 of this Resolution.

Section 7. Compliance with the project design elements included in the approved application is a condition of payment of Downtown Fee Assistance; except that the Agency Director or designee may authorize deviation from the approved design elements if the Agency Director determines that the deviation is consistent with the applicable urban design criteria in Section 4 of this Resolution.

Section 8. Projects awarded Downtown Fee Assistance must continue to comply with the criteria in Section 4 of this Resolution for at least five years after issuance of a Certificate of Occupancy.

Section 9. The Agency Director or the Director's designee may enter into agreements with recipients of Downtown Fee Assistance that are consistent with the requirements of this Resolution.

Section 10. If the Agency Director finds that a recipient of Downtown Fee Assistance has failed to comply with any conditions imposed in the approval issued by the Agency Director or

any provision of an agreement entered into pursuant to Section 9 of this Resolution, the total amount of Downtown Fee Assistance paid by the Agency in accordance with the approved application shall be immediately due and payable to the Agency, together with interest at the statutory rate for interest on judgments from the time the funds were paid. The applicant and the property owner shall be jointly and severally liable for payment.

Section 11. The Agency Director or the Director's designee may create and adopt forms and procedures that are consistent with the provisions of this Resolution.

Section 12. The Downtown Fee Assistance Program authorized by this Resolution sunsets on June 30, 2029.

Section 13. This Resolution is effective immediately upon its passage by the Agency Board.

The foregoing Resolution adopted the 22nd day of May, 2024.



Urban Renewal Agency Director

Resolution Exhibit A

Downtown Fee Assistance Program Boundary – Downtown Urban Renewal District

