



---

# City of Eugene

2020

## Analysis of Impediments to Fair Housing Choice

---



## Contents

Introduction & Key Findings .....	3
Analysis of Impediments Overview .....	5
Applicable Laws and Regulations.....	10
Demographic and Housing Market Analysis.....	14
Evidence of Housing Discrimination .....	25
Public Sector Policy Review .....	26
Private Sector Policy Review.....	33
Survey Results.....	36
Impediments to Fair Housing Choice.....	40

## INTRODUCTION & KEY FINDINGS

All Eugene residents deserve equitable and fair access to housing. It is important to acknowledge the historical role discrimination and segregation has played in shaping access to safe and affordable housing. The Federal Fair Housing Act of 1968 and subsequent amendments in 1974 and 1998 banned housing discrimination based on race, color, national origin, religion, sex, disability, or because of children in the household.

The Analysis of Impediments to Fair Housing Choice (AI) is developed to understand the potential barriers to fair housing choice that Eugene residents may face. Identifying these barriers—and reviewing progress that the City has made to overcome these barriers—can help the city and its partners expand opportunities for all its residents to access quality housing, jobs, and services.

### Protected Classes in Eugene, OR and the jurisdiction that enforces each class

Federal	State	Eugene
<ul style="list-style-type: none"><li>• Race</li><li>• Color</li><li>• National Origin</li><li>• Religion</li><li>• Sex</li><li>• Familial Status</li><li>• Disability</li></ul>	<ul style="list-style-type: none"><li>• Source of Income</li><li>• Marital Status</li><li>• Sexual Orientation</li><li>• Gender Identity</li><li>• Domestic Partnership</li><li>• Victims of Domestic Violence*</li></ul>	<ul style="list-style-type: none"><li>• Ethnicity</li><li>• Age</li></ul>

\*According to the Fair Housing Council of Oregon, Oregon effectively created another protected class for domestic violence survivors by adding language to the state's Landlord Tenant Act found in Oregon Revised Statute (ORS) 90.449.

An AI emphasizes the impediments to fair housing choices of protected classes. Some impediments may be linked directly to specific protected classes. However, because many protected classes, such as minority households or persons with disabilities, often earn less than other households, the analysis also looks at barriers to affordable housing for residents with lower incomes.

As this analysis is being finalized in spring 2020, the coronavirus pandemic has already started to dramatically affect the entire community. It is also clear that the economic retraction will most severely destabilize lower income residents, exacerbating housing stability among protected classes. Households in protected classes may need additional help to access rental assistance and foreclosure support, technology needed when social distancing and stay-home orders are active, and federal support contingent on an individual providing a Social Security number. Even after rebounding from the pandemic, these communities will remain more vulnerable to any future natural disaster.

### Summary of Key Findings

The analysis found that the City is actively engaged in furthering fair housing, but some impediments remain that could be investigated and addressed to expand housing opportunities among all Eugene residents. This section provides a few highlights of current efforts and remaining impediments. Strategies to address remaining impediments are provided at the end of the AI.

### *Recent progress and initiatives*

Specific concrete steps to combat discrimination and expand affordable housing opportunities that have been completed or are underway include:

- The City ordinance added “ethnicity” and “age” as protected classes, expanding on those protected classes established through Federal and State law.
- Policies and project funding decisions are informed by Eugene’s Housing Dispersal Policy, which encourages dispersal of low-income households and subsidized housing throughout the city.
- The City regularly reviews and updates land use and zoning policy, such as a policy change that allows for more ready development of accessory dwelling units (ADUs), which has increased affordable housing choices for protected classes.
- The City created a local Affordable Housing Trust Fund, which is supported through a construction excise tax (CET) and the City General Fund.
- The City is starting to plan for implementation of House Bill 2001 to expand opportunities for a variety of housing types in traditionally single-family neighborhoods.
- In 2018, the Housing Tools and Strategies (HTS) Working Group was formed to develop actions to address the supply of affordable housing for lower income residents, including protected classes. The City continues to implement multiple actions and provides a quarterly update to council and community stakeholders.

### *Impediments*

The analysis identified a few areas of potential impediments to fair housing choice that would benefit from further investigation, including:

#### **Lack of Affordable Housing**

- The tight rental and owner market limit the number of quality and suitable homes that lower income households and protected classes can afford.
- A shortage of affordable housing is not necessarily a fair housing issue; however, it does disproportionately impact persons with disabilities and certain racial and ethnic minorities who have lower incomes and higher poverty rate.

#### **Community Education**

- Eugene hosts several fair housing trainings and workshops throughout the year. However, many renters still report they do not know of all fair housing resources made available to them.
- Limited receptiveness among some community members for the development of new housing units, potentially creating opposition to expanding the supply of both market rate and affordable housing options.

#### **Landlord Education**

- In the tightening housing market, landlords garner additional leverage. Survey data suggests that some small landlords (one or two properties) as well as large property management

companies do not fully understand fair housing obligations, which may limit renter opportunities for protected classes.

### **Discrimination in Renting**

- The Renter’s Experience Survey administered by the City found that 22% of community member responders feel they have experienced housing discrimination. These respondents were from a range of protected classes.
- Data from the Fair Housing Council of Oregon (FHCO) suggest that reported discrimination in renting is most commonly experienced by persons with a disability. Causes range from a landlord’s refusal to provide a reasonable accommodation (wheelchair ramp, shower grab bars, etc.) to denying a household equal access to the application process or viewing process due to a disability.

### **Planning, Land Use, and Zoning Practices**

- The City has continued to update its plans and ordinances to reduce impediments and incentivize more affordable housing. Monitoring the impact of these changes against creation of housing availability may reveal the need for additional changes.
- The City should consider adopting a definition of “family” that does not place a limit on the number of unrelated members within a housekeeping unit, currently limited to five.

### **Potential Lending/Sales Discrimination**

- The analysis of Home Mortgage Disclosure Act (HMDA) data found that some protected group populations in Lane County do not apply for loans at a rate proportional to their share of the population. Lane County mortgage lending data from 2017 revealed that about 3% of all loan applications were submitted by Hispanic households, who represent 12% of Lane County’s population.
- Especially due to the relatively small size of some protected groups, the data does not necessarily indicate any discriminatory practices. Rather, however, it may warrant further investigation.

## **ANALYSIS OF IMPEDIMENTS OVERVIEW**

### **AI Purpose**

---

The Analysis of Impediments to Fair Housing Choice (AI) provides a community with an opportunity to examine progress toward the goals of eliminating housing discrimination and providing current and future residents access to housing opportunity. When a community takes meaningful action to achieve these goals, the community is “affirmatively furthering fair housing”. Section 808 of the Fair Housing Act requires the Secretary of the Department of Housing and Urban Development (HUD) to administer the department’s programs in a manner to affirmatively further fair housing and, through this requirement, is a provision of all HUD housing and community development program funding.

To accept funding from HUD, Eugene must affirmatively further fair housing by taking actions to further the goals identified in this AI and to not take actions that are inconsistent with their obligation to affirmatively further fair housing. (24 CFR §91.225(a)(1))

The Community Development Block Grant (CDBG) program also requires jurisdictions to certify compliance with anti-discrimination laws found in Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), the Fair Housing Act (42 U.S.C. 3601-3619), and implementing regulations (24 CFR §91.225(b)(6)).

This report presents a demographic profile of Eugene, assesses the extent of fair housing issues among specific groups, and evaluates the availability of a range of housing choices for all residents. This document also analyzes the conditions in the private market and public sector that may limit the range of housing choices or impede a person's access to housing. Given the AI looks at housing choices from multiple perspectives, this document will utilize existing city and county reports to supplement the analysis within. Similarly, the work of specific working groups and organizations will be integrated into this report. The public engagement process is also outlined explicitly in a section below.

## Progress since Previous Analysis of Impediments

---

The previous AI, developed together with the City of Springfield, was completed in 2010. The 2010 AI identified seven impediments with accompanying strategies to alleviate those impediments. Market conditions and lack of resources has hampered efforts to remove certain barriers to affordable housing opportunities for protected classes and other lower income residents. Still, the City prioritized further investigating these barriers, developed strategies to address them, and is taking concrete actions to expand affordable housing opportunities for all of its residents. This section reviews progress made in addressing each of the previously identified barriers.

### **1. There is an inadequate supply of affordable housing.**

The shortage of affordable housing in Eugene has deepened, despite efforts by both the City and the State to expand the supply. The City has complied with House Bill 4006, effective October 2018, which requires rent burdened cities to hold a public meeting and discuss the causes and consequences of the severe rent burdens within the city as well as barriers to reducing rent burdens, and possible solutions. In addition, the Intergovernmental Housing Policy Board meets monthly and regularly discusses the issues around the inadequate supply of affordable housing.

- In fall of 2018, the City established the HTS Working Group. With the help of a facilitator, the group conducted intensive sessions to identify barriers to affordable housing and create tools and strategies to address them. As a result, several actions are in progress that could help address the inadequate supply of affordable housing:
- In 2016, Oregon legislature passed Senate Bill 1533 authorizing Oregon cities and counties to establish a CET on commercial and residential improvements to be used for affordable housing. In May 2019, Eugene City Council passed an ordinance establishing the tax in Eugene. Since July 2019, tax collected has been placed into an Affordable Housing Trust Fund. The fund will pay for

projects and programs that increase availability and access to owner- and renter-occupied housing that is affordable to lower income community members.

- The City is starting to plan for implementation of House Bill 2001, a new state law in June 2019 that is intended to provide more opportunities for a variety of housing type in traditionally single-family neighborhoods, and to increase the overall housing supply in and around cities.
- The City is reviewing short-term rental regulations and considering what impacts short-term rentals could have on housing supply, which could also impact the supply of affordable housing.
- On January 21, 2020, City Council passed an ordinance easing some regulations around the development of ADUs intended to catalyze development of more ADUs. The revised, less restrictive code will be in compliance with new state law (Senate Bill 1051 and House Bill 2001). Currently, the City offers a Systems Development Charge (SDC) waiver for ADUs that are used for affordable housing. The City is considering additional incentives to encourage development of ADUs.

***2. Suitable sites for future low-income housing construction are difficult to find, are expensive to acquire, and some may have constraints that limit development opportunities.***

An important outcome of the HTS Working Group was the expansion of Eugene’s Landbank Program. From 2015-2020, two sites have been purchased and one was offered and awarded through a competitive RFP process. The City continues to work with realtors and community partners to identify additional sites for affordable housing development and is considering use of city-owned land for affordable housing.

***3. There is a limited awareness of fair housing policies in the broader community.***

The City funds and administers programs to expand the awareness of fair housing policies and resources of both new and existing community members.

City Code 4.613, the Human Rights Code, expands federal and state protected classes to limit discrimination against ethnicity and age (over 18). The City’s fair housing strategies apply to the broader community and include:

- To expand the supply of affordable housing throughout the community
- To support land acquisition for affordable housing across the community
- To support fair housing outreach and education for residents
- To support fair housing and education for landlords
- To support fair housing complaint and hotline services
- To explore additional renters’ protections
- To explore regulatory changes to better support protected classes

The City contracts with the FHCO to provide fair housing trainings and to support their statewide hotline for fair housing inquiries. Fair Housing Council of Oregon provides education, outreach, enforcement, advocacy, and technical assistance activities.

From 2015 to 2020, over 1,450 community members, service providers, affordable housing providers, landlords, city staff, and policymakers have attended a fair housing training by FHCO or participated in fair housing outreach events. Trainings are held in partnership with human service providers throughout the community and at the University of Oregon, and often focus on particular protected classes. The

trainings and outreach events are advertised broadly throughout the community via flyers, brochures, the City's website, interested parties' lists, and City Council newsletters.

**4. There are market conditions and housing industry practices that increase housing costs or decrease housing choice.**

Like many communities, the market conditions are very competitive and construction costs are high. To help with the affordable housing development costs, Eugene uses several affordable housing development incentives including:

- The Low-Income Rental Housing Property Tax Exemption (LIRHPTE) is enabled by state statute. It provides a 20-year exemption for rental properties constructed after February 12, 1990, or rental properties owned by 501c(3) non-profits. LIRHPTE is for properties that are offered for rent or held for the purpose of developing low-income rental housing.
- The Multi-Unit Property Tax Exemption (MUPTTE) is a tool that can shift a proposed housing development to being financially feasible. MUPTTE allows for new multi-family units (five or more units) to avoid property taxes on the value of new residential construction for up to 10 years. This state-enabled program serves as an incentive for redevelopment of residential properties in city centers and along transit corridors.
- City of Eugene SDC waivers are utilized for affordable housing development. The SDC waiver is used in combination with other resources for larger multi-family rental developments, but can also be used for small rental developments, and low-income single-family homeownership development.
- Proceeds from the CET, established by Eugene City Council Ordinance in May 2019, have funded a new Affordable Housing Trust Fund. The City also intends to contribute \$500,000 in General Fund resources each year to Affordable Housing Trust Fund. This fund will pay for projects and programs that increase availability and access to owner- and renter-occupied housing that is affordable to lower-income community members.

**5. There are cultural differences and language barriers which inhibit access to fair housing.**

The City has striven to overcome language and cultural barriers to make fair housing information and training accessible to all residents. Efforts include:

- The City has coordinated fair housing trainings in Spanish with translation equipment available. In addition, the fair housing trainer is bilingual (English and Spanish). Fair housing brochures are available in Spanish and English at the Library, the City's Planning and Development offices at the Atrium, and other City facilities. They are shared with community members and human service providers, as well as affordable housing providers.
- The City's Human Rights and Neighborhood Involvement staff are available to community members who have questions about fair housing, and staff members are bilingual.
- The FHCO's fair housing hotline is staffed with advocates who speak multiple languages, and their materials are translated in 11 languages.
- The City works in partnership with multiple providers, including Latinx and immigrant service providers, along with Lane Equity Coalition to receive fair housing training.

**6. Email and the internet have become vital to access housing opportunities and subsidy programs, providing a barrier for those without computer access at home.**

The City of Eugene and its partners provide computer and internet access that residents without a home computer can use to find programs and resources in their search for affordable housing:

- The Eugene Public Library branches offer free internet access. In addition, adaptive technology workstations serve those who have a need for specific adaptive software and hardware and are unable to use the Library's other computers.
- Free, unsecured Wi-Fi is offered at all library locations and in City facilities.
- Two library branches offer laptops to be loaned for 7-day periods.
- Multiple human service providers offer computer access and technology assistance to their clients.
- The local housing authority, housing providers, and human service providers have established housing navigator positions as a way to provide additional housing support to community members who experience barriers, including those with limited access to technology.

**7. People with disabilities who have special housing needs have limited choices and are often constrained by their lower incomes.**

Although persons with disabilities continue to face difficulties in finding adequate housing in Eugene's tight housing market, the City and its partners administer programs and grants to assist these residents in obtaining or modifying their housing to accommodate their needs:

- The City manages an Accessibility Improvement Program that includes grants for mobile homeowners and tenants with disabilities and 0%, deferred loans for disabled homeowners and tenants of stick frame homes. Improvements include removal of architectural barriers and installation of strobe smoke alarms. This program is advertised widely, including on the City's website.
- The City provides accessibility grants and loans to affordable housing developments and infrastructure in need of accessibility modifications.
- The FHCO provides training, information, and advocacy on all aspects of fair housing, including information for people with disabilities.

## AI Development Process

---

This AI has been developed to provide a summary of laws, regulations, conditions, and potential impediments that may impact a household's ability to access housing. As part of this analysis, the report incorporates the concerns and issues of residents, stakeholders, government staff, and service providers. Information gathered from the meetings and workshops supplements the analysis and works to confirm the data and identify impediments.

The City has formed several committees and is actively addressing issues that are relevant to overcoming impediments to fair housing choice. The AI intentionally builds off of the studies and analyses conducted by these committees, and directly engaged these committees to collect information and receive feedback. During the development of the AI, Eugene held additional meetings to gather input informing the AI, including:

- Renters Protection Committee—December 11, 2019
- Consolidated Plan Advisory Committee—December 17, 2019
- Eugene Housing Opportunities Team—January 15, 2020
- Poverty & Homelessness Board—January 16, 2020

In conjunction with the development of the Consolidated Plan, two surveys were developed and distributed. One for the community at large, which includes residents, and one for social service providers (see Survey Results below). There was a total of 211 community survey responses and 68 provider survey responses.

## APPLICABLE LAWS AND REGULATIONS

### Fair Housing Laws

---

#### *Federal Fair Housing Act*

All municipalities are subject to the Fair Housing Act, administered and enforced by HUD. In 1968, the Civil Rights Act was signed into law by President Lyndon Johnson to prohibit housing discrimination on the basis of race, religion, color, sex, and national origin. Title VIII of the Civil Rights Act is also known as the Fair Housing Act. The law was passed after years of advocacy within the United States against overt race, gender, and religious-based discrimination and segregation in the sale and rental of housing. Additional protections were added for family status (women who are pregnant or the presence of children under 18) and disability in an amendment to the Fair Housing Act signed in 1988.

The Fair Housing Act applies to almost any person or group involved with housing in the United States including landlords, realtors, homeowners' associations (HOAs), mortgage lenders, and homeowners' insurance companies. These people or groups cannot discriminate against those classes of people protected under the Fair Housing Act.

It is illegal to take any of the following actions on the basis of protected class:

- Refuse to rent or sell housing
- Refuse to negotiate for housing
- Otherwise make housing unavailable
- Set different terms, conditions, or privileges for sale or rental of a dwelling
- Provide a person different housing services or facilities
- Falsely deny that housing is available for inspection, sale, or rental
- Make, print, or publish any notice, statement, or advertisement with respect to the sale or rental of a dwelling that indicates any preference, limitation, or discrimination
- Impose different sales prices or rental charges of a dwelling
- Use different qualification criteria or applications, or sale/rental standards or procedures, such as income standards, application requirements, application fees, credit analyses, sale or rental approval procedures, or other requirements
- Evict a tenant or a tenant's guest
- Harass a person
- Fail or delay performance of maintenance or repairs

- Limit privileges, services, or facilities of a dwelling
- Discourage the purchase or rental of a dwelling
- Assign a person to a building/neighborhood or section of a building/neighborhood
- For profit, persuade, or try to persuade, homeowners to sell their homes by suggesting that people of a protected characteristic are about to move into the neighborhood (blockbusting)
- Refuse to provide or discriminate in the terms or conditions of homeowner's insurance because of the race, color, religion, sex, disability, familial status, or national origin of the owner and/or occupants of a dwelling
- Deny access to or membership in any multiple listing service or real estate brokers' organization
- Refuse to make a mortgage loan or provide other financial assistance for a dwelling
- Refuse to provide information regarding loans
- Impose different terms or conditions on a loan, such as different interest rates, points, or fees
- Discriminate in appraising a dwelling
- Condition the availability of a loan on a person's response to harassment
- Refuse to purchase a loan

It is also illegal to threaten, coerce, intimidate or interfere with anyone exercising a fair housing right or assisting others who exercise the right, or retaliate against a person who has filed a fair housing complaint or assisted in a fair housing investigation.

Exempted from the federal law are owner-occupied buildings with no more than four units, single-family houses sold or rented by the owner without an agent, and housing operated by religious organizations or private clubs that is limited to members. State of Oregon or local laws can add additional protections but cannot take away Fair Housing Act protections.

Examples of illegal housing actions under the Fair Housing Act are:

- An apartment manager only offering apartment units to families with children within one-half of an apartment building.
- A landlord giving a \$10 application fee discount to housing applicants who attended the local high school.
- A realtor falsely declaring a house already has a purchase offer when showing a house to a couple who recently immigrated to the United States.
- An apartment manager running a credit check only on applicants under 30 years old.

#### *Advertising:*

All types of housing advertising are governed by the Fair Housing Act including paper flyers, newspaper ads, advertising on websites, and lawn signs. Advertisements cannot show a preference, limitation, or discrimination based on protected class. Examples of illegal advertisements are:

- A lawn sign outside an apartment building that includes "sorry, no kids."

- A realtor’s flyer for an open house only distributed in local churches.
- Website ads that claim an apartment is “perfect for young professionals.”

The National Fair Housing Alliance recommends that instead of focusing on who an ideal tenant would be or what type of person would likely not like a housing unit, an advertisement for housing should focus on the property characteristics and the amenities. Advertisements should be available to be accessed by a broad number of people.

*Additional Protections for Persons with Disabilities:*

Housing providers are required to make reasonable accommodations and permit reasonable modifications that allow persons with disabilities to enjoy their housing. Under the Fair Housing Act, a person with a disability includes: Individuals with a physical or mental impairment that substantially limits one or more major life activities, individuals who are regarded as having such an impairment, and individuals with a record of such an impairment. Major life activities include walking, seeing, hearing, speaking, breathing, and working.

An accommodation is a change in any rule, policy, procedure or service needed for a person with a disability to have equal access to and enjoyment of their home. For example, allowing a service animal despite a “no pets” policy or allowing a tenant to mail in a rent check when others must physically deliver checks to a drop box.

A modification is a structural change made to the existing premises, occupied or to be occupied by a person with a disability, in order to afford such person full enjoyment of the premises. A ramp installed into the front entrance of a house where there are only stairs, changing doorknobs to levers for someone with a mobility disability, or allowing a tenant with a sight impairment to install visual doorbells are all examples of reasonable modifications.

*Other Federal Laws*

Other federal laws governing housing rights within Oregon are:

- Title VI of the Civil Rights Act of 1964
- Section 504 of the Rehabilitation Act of 1973
- Age Discrimination Act of 1975
- Title II of the Americans with Disabilities Act of 1990
- Violence Against Women Act
- Equal Credit Opportunity

In addition, all HUD-funded housing programs are prohibited from discriminating based on sexual orientation, gender identity, or marital status under the 2016 Equal Access Rule.

While not law, the National Association of Realtors’ Code of Ethics prohibits licensed Realtors from discriminating based on sexual orientation. This code of ethics applies to all members of the Oregon Association of Realtors.

### *State Law(s)*

Oregon's housing discrimination statutes are purposefully similar to federal statutes. States may grant more rights than federal laws, but not less. Oregon has several additions to federal law as expressed in Chapter 659A of the Oregon Revised Statutes.

Chapter 659A states that *"A person may not, because of race, color, religion, sex, sexual orientation, national origin, marital status, familial status, or source of income of any person refuse to sell, lease, or rent any real property to a purchaser."*

The "Source of Income" prohibits discrimination against any applicant that cites a public assistance program as their source of income; for example, child support, social security, or any housing assistance voucher.

The Oregon Family Fairness Act (2007) grants domestic partners the same protections as married persons. The Oregon Equality Act (2007) prohibits discrimination based on sexual preference or gender identity.

As a result of the Chapter 659A provision, the Oregon Family Fairness Act, and the Oregon Equality Act, Oregon has expanded the list of protected classes offered protection under the Federal Fair Housing Act. Those additions to protected classes under Oregon law are:

- Source of income
- Marital status
- Sexual orientation
- Gender identity
- Domestic partnership

The Oregon Revised Statute (ORS) 90.449 effectively includes victims of domestic violence as a protected class regarding landlord/tenant issues. The regulation also offers explicit consequences to landlords should they violate ORS 90.449. The regulation states that a tenant or applicant "may recover up to two months' periodic rent or twice the actual damages sustained by the tenant or applicant, whichever is greater" should the statute be violated.

### *Local Law(s)*

Just as state law may grant additional protections but not less, under federal law, a municipality may also grant additional protections. Under the Eugene City Code 4.613 Human Rights, several protections are explicitly stated. The Code states that *"The City finds that discrimination based on race, religion, color, sex, national origin, ethnicity, marital status, familial status, age, sexual orientation, source of income, and disability poses a substantial threat to the health, safety, and general welfare of the citizens of Eugene."*

The above cited code adds and/or broadens protections granted under both federal and state law.

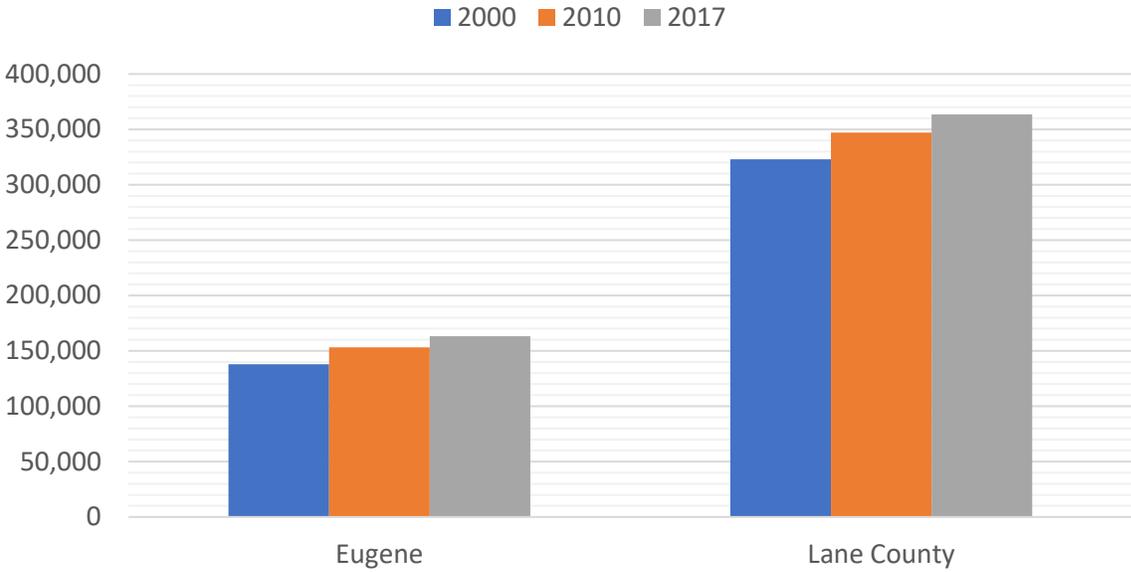
# DEMOGRAPHIC AND HOUSING MARKET ANALYSIS

Understanding the community demographics helps provide context to potential impediments. This section outlines shifting demographics in Eugene, the disparities in income for certain types of households, and other factors that may limit a household’s housing choice.

## Population Trends

Eugene’s population grew from 137,893 in 2000 to 163,135 in 2017. This 18.3% growth outpaced that of Lane County (12.5%) and the state of Oregon (17.6%) during that period. Migration of new residents into the city drove most of the growth rather than births from Eugene residents. As Eugene is the economic hub of Lane County, continued growth in both the city and the county are expected.

**Chart 1. Population Growth—2000 to 2017**

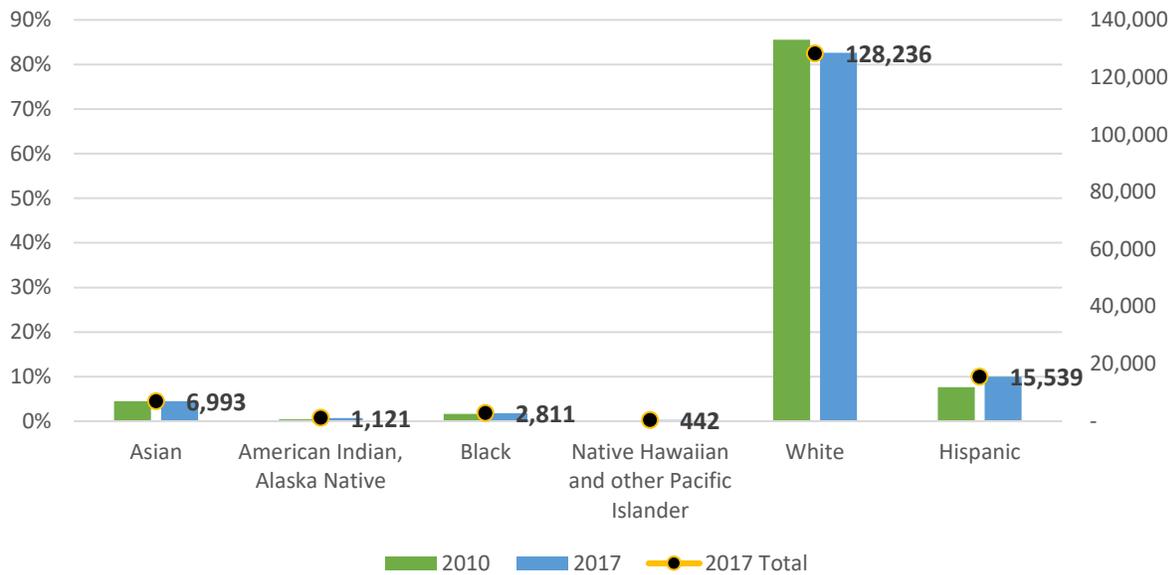


Source: 2000 & 2010 Census, 2017 American Community Survey (ACS)

The State of Oregon forecasts that Lane County’s population will reach 410,247 by 2030. As of 2017, Eugene accounted for 45% of Lane County’s population. Similarly, the State of Oregon forecasts that the Springfield population will grow to 210,474 by 2030, accounting for 53% of the Lane County population.

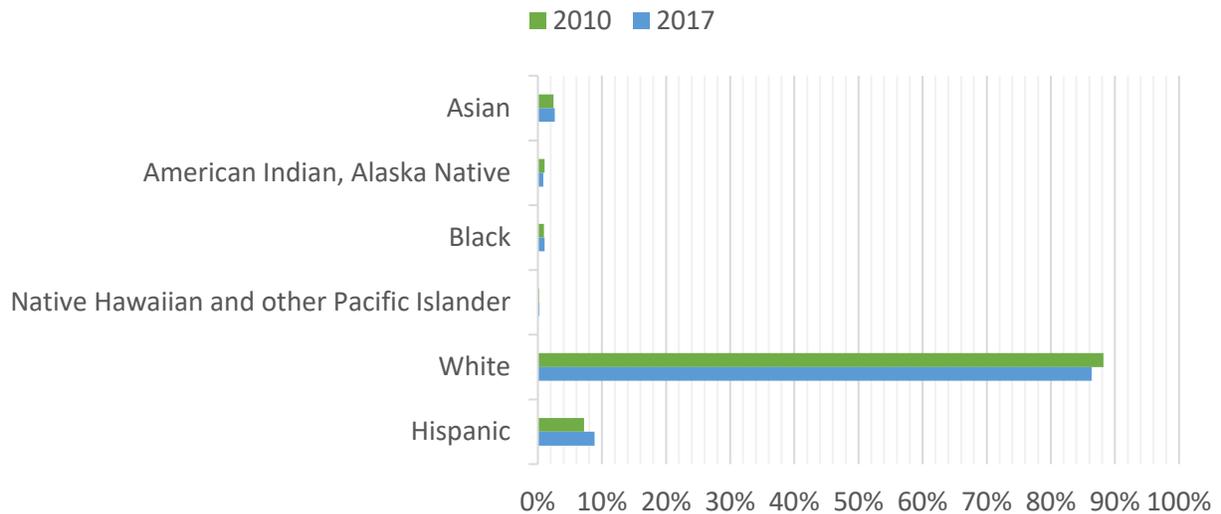
Population growth in Eugene—similarly to Lane County and most of the Pacific Northwest—is largely driven by net in-migration. The in-migration has contributed to an increasingly diverse population.

**Chart 2. Eugene Race & Ethnicity Demographics**



Source: 2010 & 2017 ACS

**Chart 3. Lane County Race & Ethnicity Demographics**



Source: 2010 & 2017 ACS

Eugene and Lane County remain predominately White and non-Hispanic. However, as Charts 1–3 illustrate, both Eugene and Lane County growth is mostly attributed to increases among non-White and Hispanic populations. Between 2010 and 2017, four demographic categories grew by greater than 10 percentage points: African American or Black (14.4%), American Indian, Alaska Native (81.4%), Native Hawaiian and Other Pacific Islander (54.0%), and Hispanic (37.3%).

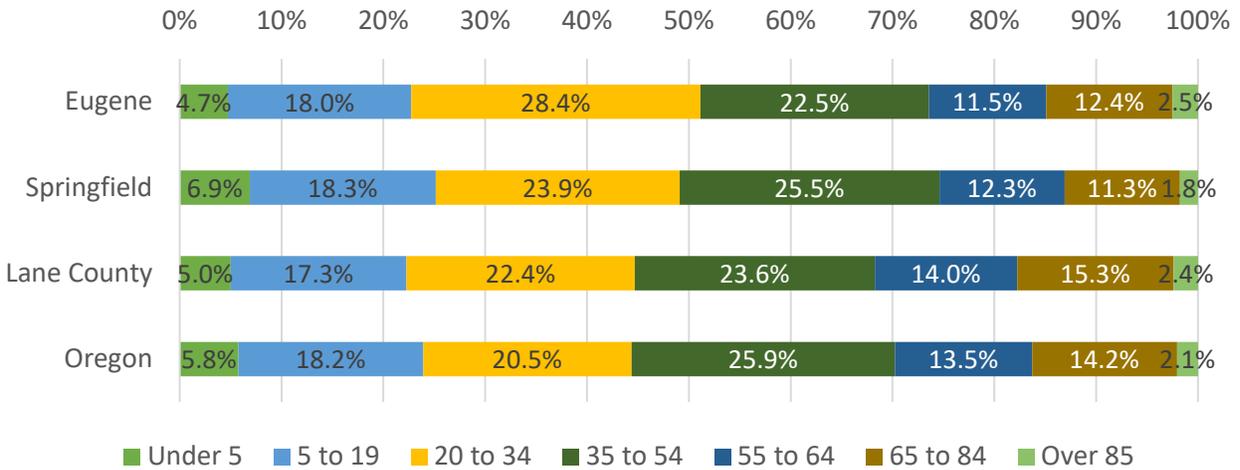
Eugene has a median age moderately lower than Lane County; however, in both cases the median age is increasing since 2000.

**Table 1. Median Age**

	Eugene	Lane County
<b>2000</b>	33.0	36.6
<b>2010</b>	33.8	39.0
<b>2017</b>	34.1	39.4

Source: 2000 & 2010 Census, 2017 ACS

**Chart 4. Population by Age**



Source: 2017 ACS

While age distribution is similar to Lane County and Springfield, Eugene’s has a larger 20 to 34 years age population, most likely due to university students. As of 2017, residents over the age of 65 make up 15% of the city’s populations. Similarly, in Lane County about 13% of residents are over the age of 65. The State of Oregon population forecasts that 22.4% of Lane County’s population will be over the age of 65 by 2030.

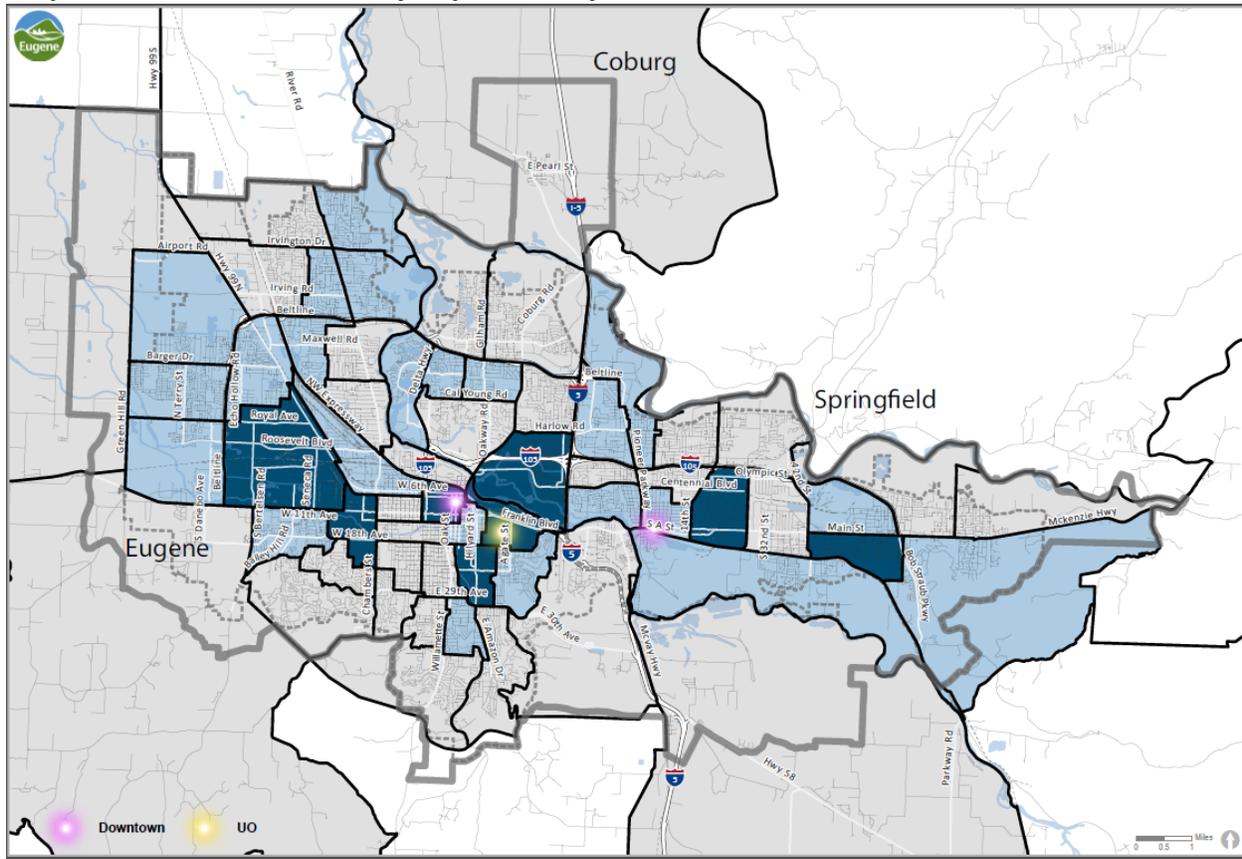
*Racial/Ethnic Concentrations*

HUD defines a racially/ethnically concentrated area of poverty (R/ECAP) as “areas where the total non-White population is greater than 50% AND the poverty rate is greater than 40% OR three times the average poverty rate for the metropolitan area.”

These baseline thresholds for defining R/ECAPs were designed to serve as a starting point for communities investigating these issues across the nation. HUD encourages communities to modify these thresholds if they do not necessarily match the expectations for local demographics.

There are no HUD defined R/ECAPs in Eugene. Map 1 below shows concentrations of Latino and/or non-White populations within Eugene and Springfield by census tract. There are tight pockets of diversity, most notably Asian households, near the University of Oregon in Eugene.

**Map 1. Latino and/or Minority Population by Census Tract 2017**



Map: 12/13/2019  
 Data: US Census Bureau, ACS 2013-2017 Table B03002; COG Regional GIS & COE GIS.  
 Caution: This map is based on imprecise source data, subject to change, and for general reference only.

MPO Boundary  
 2018 Census Tracts  
 Urban growth boundaries  
 Low: 9.3% - 21.2%  
 Medium: 21.3% - 33.1%  
 High: 33.2% - 44.9%

Source: Equity and Opportunity Assessment 2020

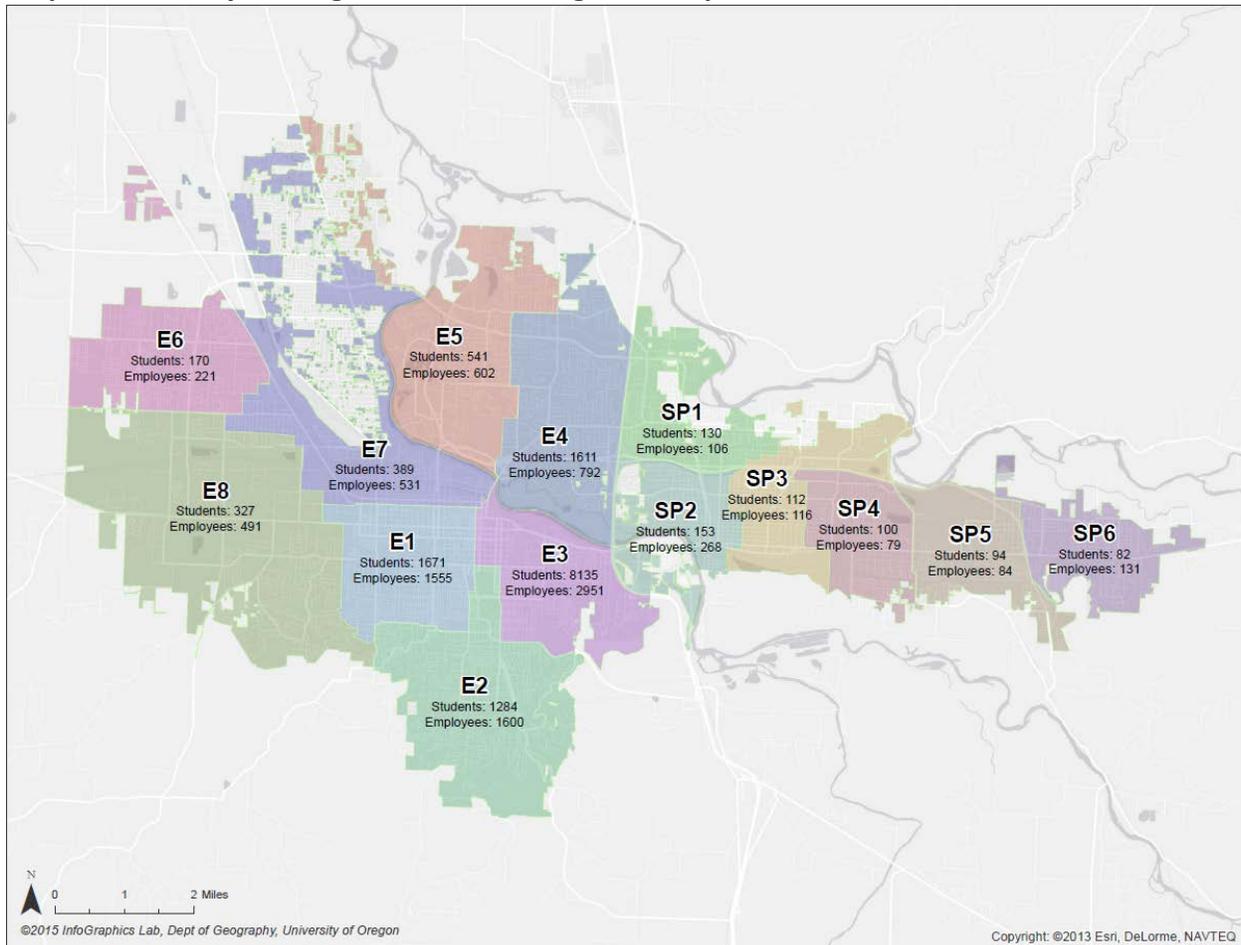
Map 1 identifies six census tracts in Eugene in which the Latino and/or racial minority population is greater than 33.2% of the total population of that census tract. Four of those census tracts are close to the University of Oregon, and the other two are west of downtown, south and west of 6<sup>th</sup> St/Route 99. The student population accounts for a significant portion of Eugene’s Latino and/or non-White population.

### Eugene Student Population

According to data from the University of Oregon (UO), 14,128 students lived off campus in Eugene in 2015, accounting for about 9% of the city’s total population. Students living off campus have historically made up about 9-11% of the Eugene population. Inevitably, the students impact the housing market, especially for rental housing. Therefore, it is important to acknowledge students impact demographic and housing data. While census data and HUD data derived from the census in this section exclude students living on campus, it does include students living off campus.

Map 2 shows where students living off campus reside by wards. Just under 60% of all UO students in Eugene live in Ward 3, close to campus. In 2015, 78% of the off-campus student population lived in wards 2, 3, or 4.

**Map 2. University of Oregon Students Living Off-Campus**



A 2018 United States Census Bureau report concluded that areas with large student populations had a considerable impact on poverty rates. Within Eugene, the report found that that the poverty rate including students living off campus was 23.1%—almost 7% higher than the rate if these students were excluded (16.2%).

**Table 2. Impact of Students on Poverty Rate in Eugene**

	Total Population considered in poverty rate	Percent of that population living off-campus	Poverty rate WITH students	Poverty rate WITHOUT students	Difference
Eugene	155,761	11.6	23.1	16.2	6.9

Source: <https://www.census.gov/library/stories/2018/10/off-campus-college-students-poverty.html>

University students contribute to the diversity of Eugene. As of fall 2017, 26.8% of the student population (not including international students) identified as an ethnic minority. The 2,712 international students make up 11.8% of the total student population.

## Income Trends

Together, the combination of low income and the high housing costs contribute to a household's inability to secure affordable housing. This section will look at household and individual income trends in Eugene, identifying income trends of specific subgroups that may be more vulnerable to an increasingly expensive housing market.

### *Disability and Income*

Those living with a disability typically have a narrower choice in the housing market given the constraints on the types of housing that are accessible according to the type of disability. As Table 3 indicates, those living with a disability are also more likely to be elderly, potentially compounding housing vulnerability issues should the household have a fixed income or require certain, sometimes costly medical and health care services.

Disability status is determined by the US Census Bureau using the following six categories:

- Hearing difficulty—Deaf or serious difficulty hearing
- Vision difficulty—Blind or serious difficulty seeing even when wearing glasses
- Cognitive difficulty—Due to physical, mental, or emotional condition, serious mental difficulty
- Ambulatory difficulty—Serious difficulty walking or climbing stairs
- Self-care difficulty—Difficulty dressing or bathing
- Independent living difficulty—Difficulty doing errands alone such as visiting a doctor's office or shopping

**Table 3. Individual Disability Rates by Type in Eugene**

	<b>Under 5</b>	<b>5-17</b>	<b>18-64</b>	<b>65 &amp; Over</b>	<b>Total Population</b>
Hearing Difficulty	0.0%	0.4%	1.7%	15.5%	3.5%
Vision Difficulty	0.1%	0.5%	2.0%	7.5%	2.5%
	<b>Under 18</b>		<b>18-64</b>	<b>65 &amp; Over</b>	
Cognitive Difficulty	5.2%		5.6%	11.3%	6.4%
Ambulatory	0.6%		4.4%	24.4%	7.0%
Self-Care	0.7%		1.4%	9.8%	2.6%
Independent Living			4.0%	16.2%	6.2%

Source: 2017 ACS

Households that include a member living with a disability generally earn less income than one without a disability. As illustrated in Chart 5, the median income of a person with a disability is about two-thirds of those without a disability. Already constrained by the need to find housing that accommodates its member's specific disability, these households face additional limits on housing choice due to their lower income.

### **Chart 5. Median Individual Income by Disability in Eugene**

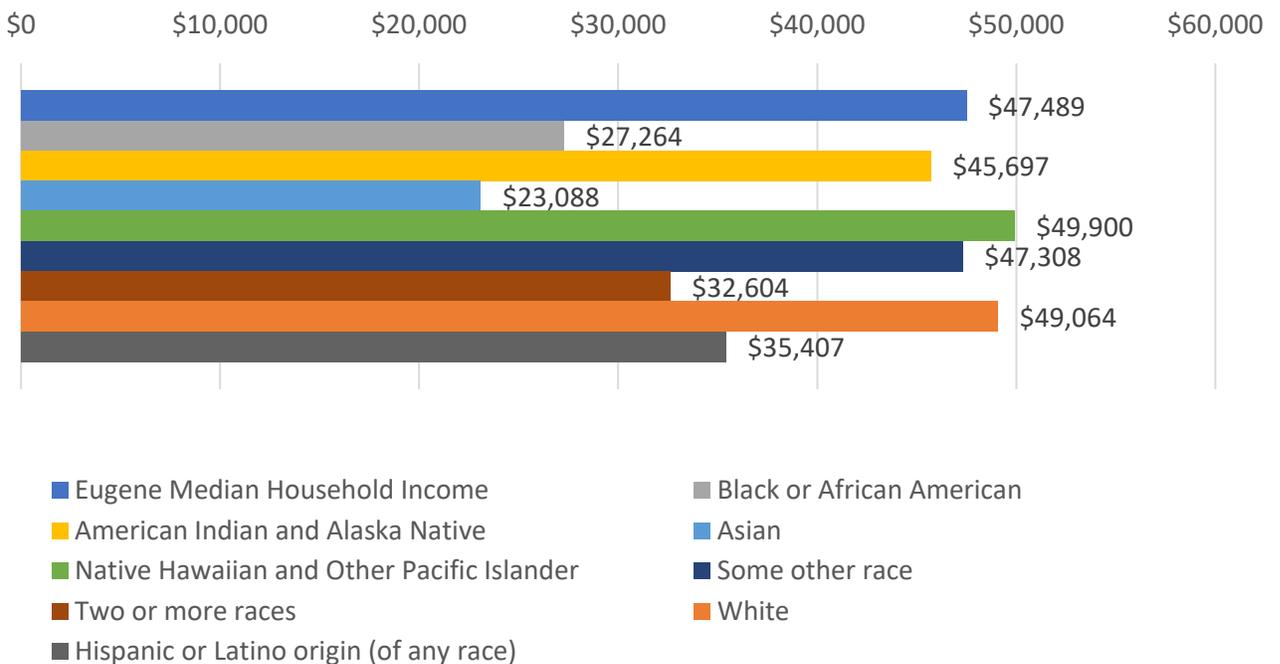


Source: 2017 ACS

*Income by Race/Ethnicity*

In 2017, the median household income in Eugene was \$47,489. Chart 6 below shows the median income for each race/ethnicity (2017 ACS).

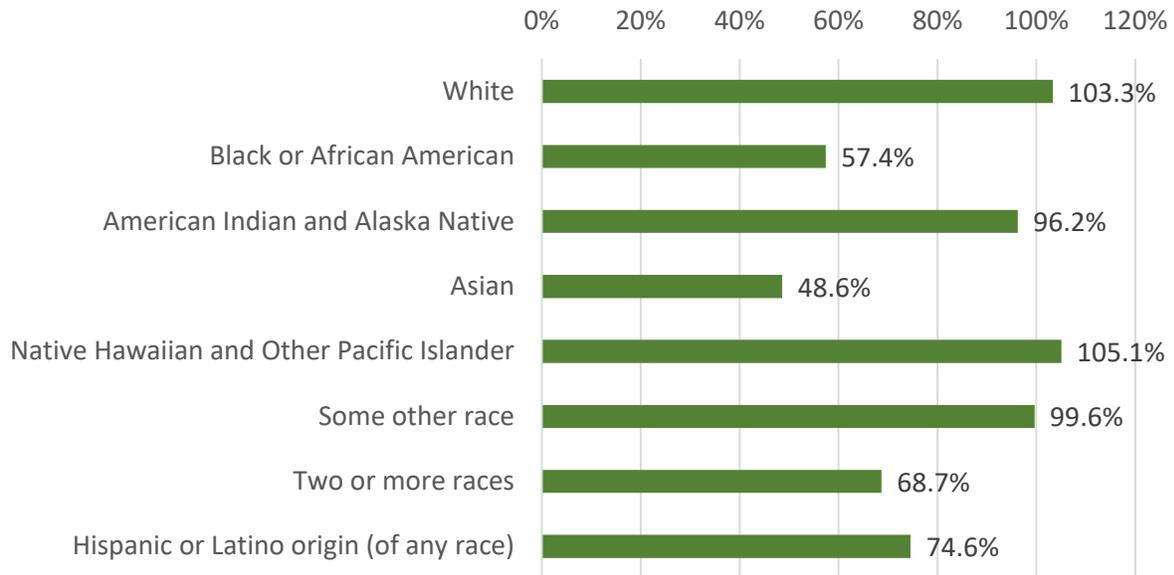
**Chart 6. Median Household Income by Race/Ethnicity in Eugene**



Source: 2017 ACS

Chart 7 identifies each race/ethnicity and their median household income as a percentage of the Eugene median household income.

**Chart 7. Household Income by Race/Ethnicity as a Percentage of Eugene Median Household Income**



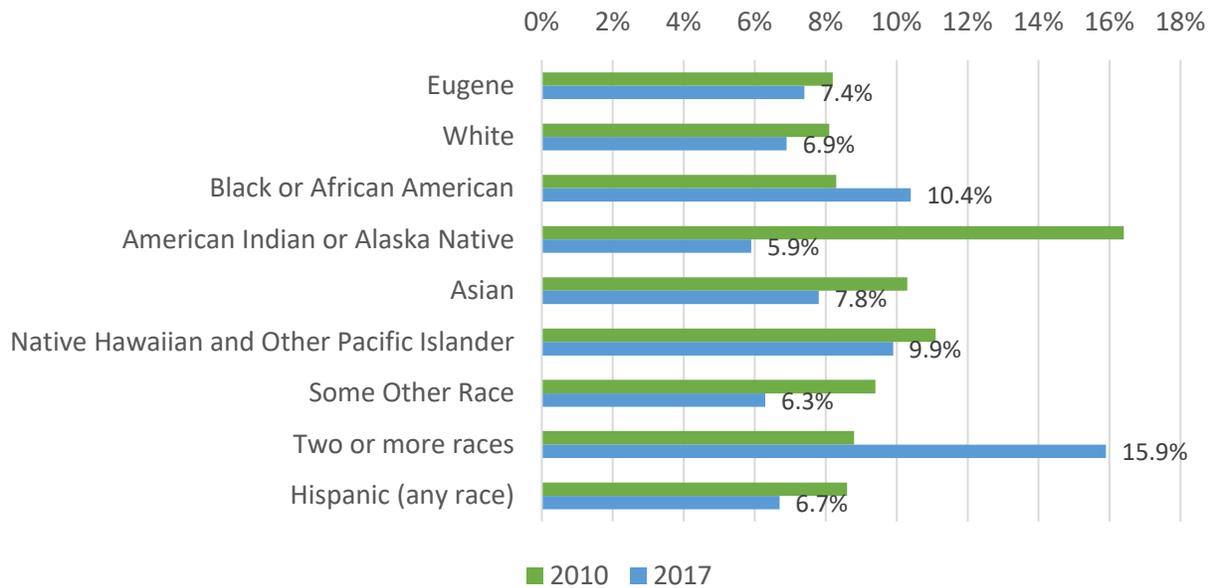
Source: 2017 ACS

White and Native Hawaiian and Other Pacific Islander households earn above the median household income for the city, and American Indian and Alaska Native and Some Other Race both earn above 95% of the Eugene median income. However, Black or African American households, Asian households, and Hispanic or Latino households earn substantially less than the city’s median income per household. It is important to recognize limitations of making income comparisons for smaller race and ethnicity groups in Eugene, where 83% of households are White.

### Employment Trends

Since 2009, Lane County has experienced steady job growth and unemployment rates have remained relatively low in recent years (unemployment is beginning to rise dramatically due to the coronavirus pandemic as this analysis is finalized). However, regional wage rates have risen (though not dramatically) as service jobs have replaced many of the manufacturing jobs during the past decade.

**Chart 8. Eugene Unemployment Rate by Race/Ethnicity**



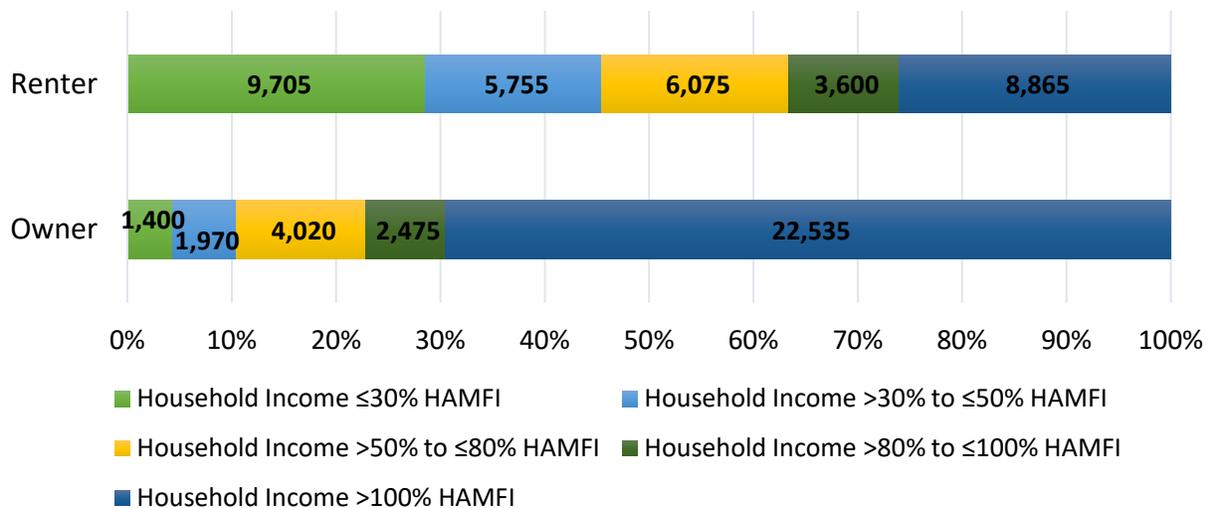
Source: 2017 ACS

Unemployment rates declined between 2010 and 2017 in Eugene for most race and ethnicity groups. Unemployment rates grew for Black or African American households and households that identify as two or more races (Chart 8).

### Housing Trends

Eugene recently became a majority renter city; 51% of households are now renters. Renters, which as a group earn significantly less than owners, are facing challenges as rents have continued to increase.

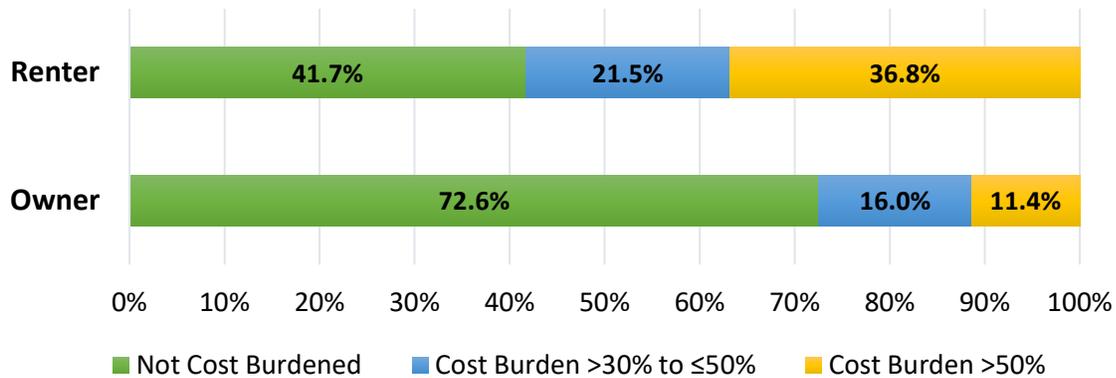
**Chart 9. Household Income by Tenure**



Source: 2016 Comprehensive Housing Affordability Strategy (CHAS)

Renter households are far more likely to earn less than 80% of the median area income (AMI), as illustrated in Chart 9 above. About 62% of renter households earn less than 80% AMI, while only 22% of owner households earn less than 80% AMI. A household's income is closely tied to cost burden. Cost burden is defined as a household that pays 30%-50% of monthly income toward housing expenses. Similarly, severe cost burden is defined as a household that pays greater than 50% of their monthly income toward housing costs (including utilities).

**Chart 10. Cost Burden by Tenure**



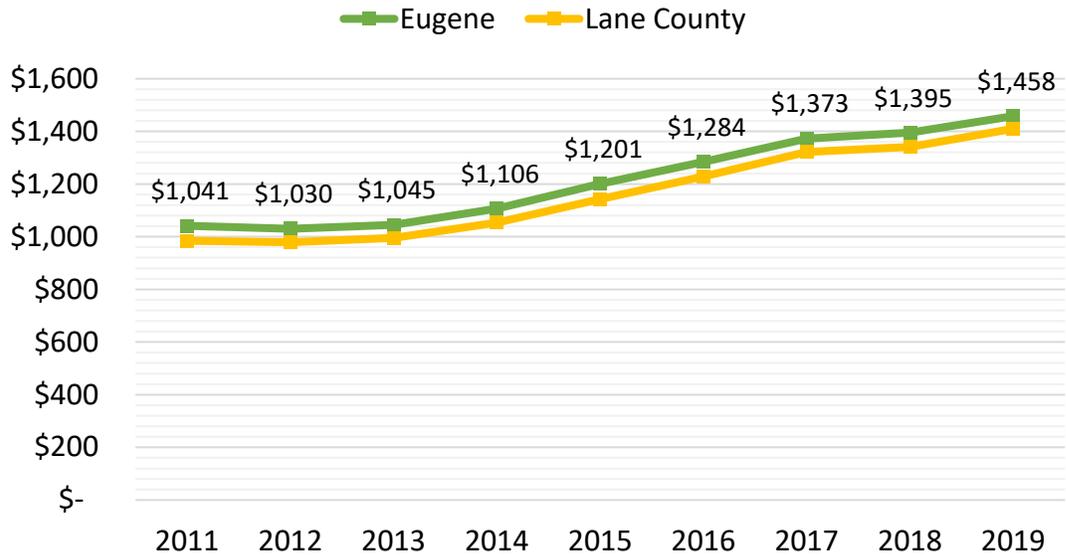
Source: 2016 CHAS

About 57% of all renter households and 27% of owner households in Eugene are cost burdened. Housing cost burden is a significant factor in a household's ability to absorb financial emergencies or pursue economic opportunities. Moreover, these households are less able to address financial emergencies and are at greater risk of housing instability.

*Housing Costs*

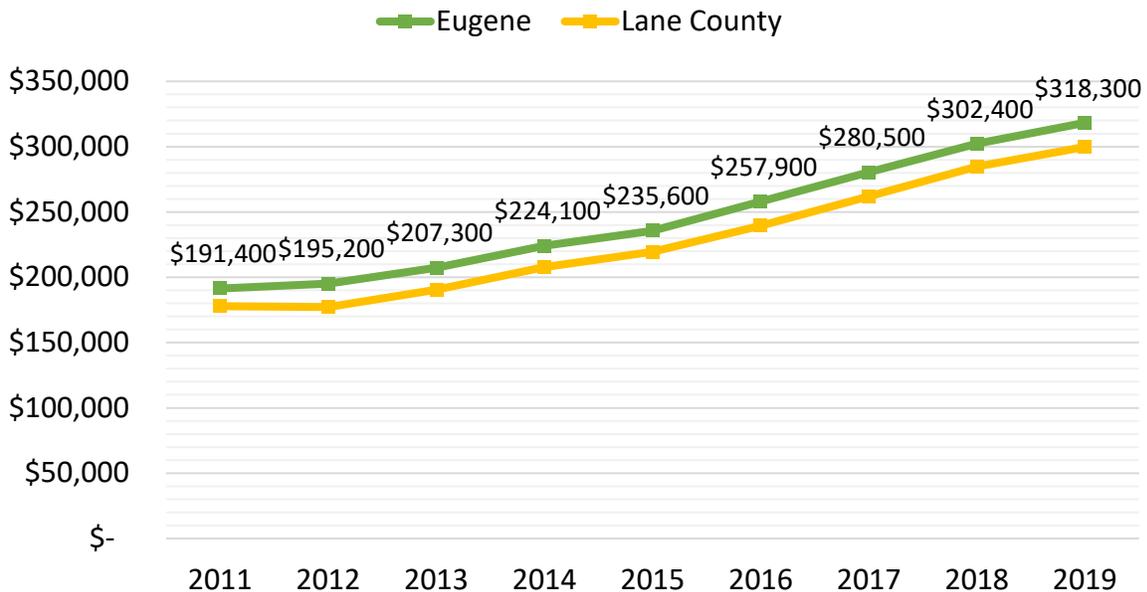
Housing costs for both renters and owners have steadily increased since 2011. The median rent according to Zillow has increased by 29% since 2011, while the median home value has increased by 40% since 2011.

**Chart 11. Median Rental Rates**



Source: Zillow Economic Research Data

**Chart 12. Median Home Values**



Source: Zillow Economic Research Data

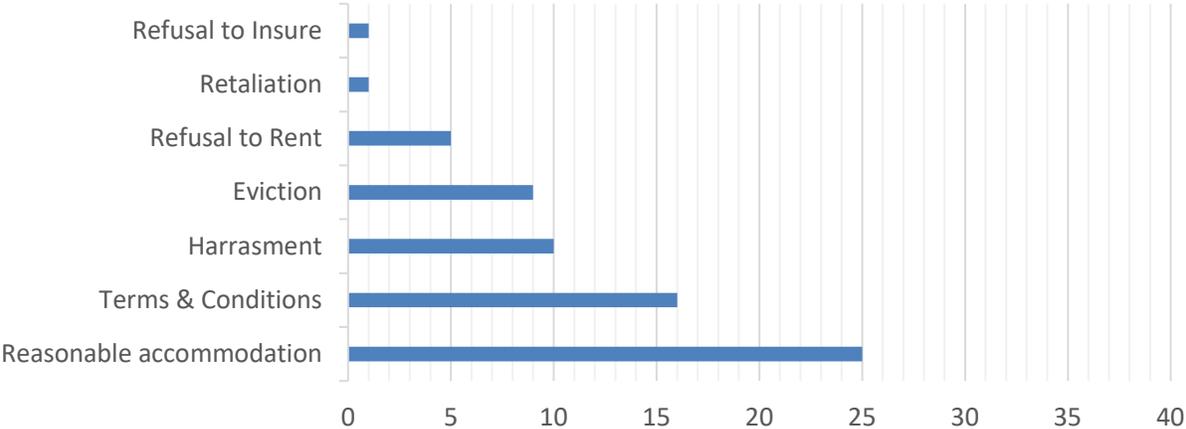
High housing costs limit housing options for households, especially those low- and moderate-income households. The City of Eugene utilizes HUD funds and partnerships with developers and the Housing Authority to develop and preserve affordable housing to support those low- and moderate-income households.

# EVIDENCE OF HOUSING DISCRIMINATION

## Fair Housing Complaints

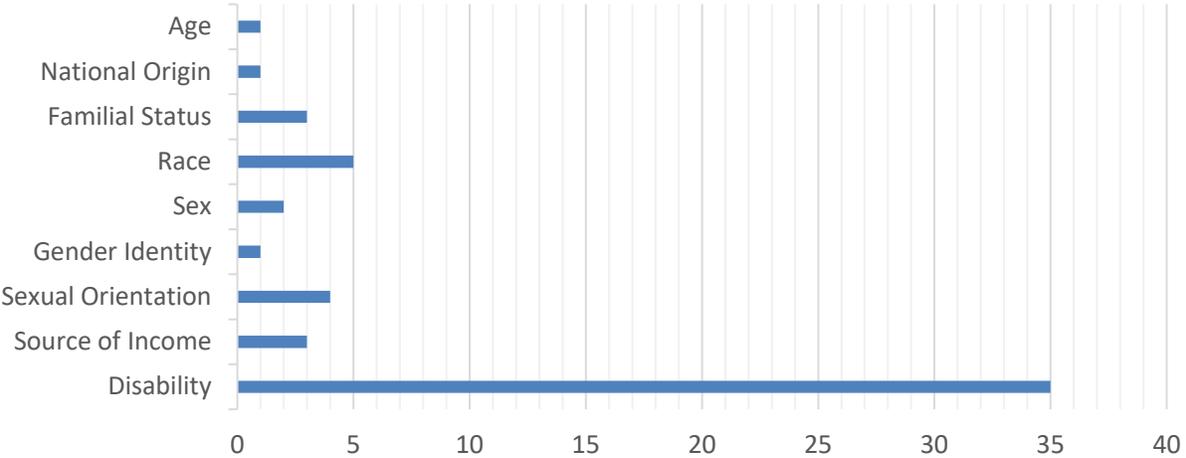
The Fair Housing Council of Oregon (FHCO) conducts assessments and mediation of fair housing complaints in Eugene and the surrounding region. The FHCO also conducts regular fair housing training sessions in Eugene. While based in Portland, FHCO works closely with the City of Eugene staff. Fair housing complaints may begin through several channels, but all valid claims will ultimately end with involvement of FHCO. When involved, FHCO keeps records of all client intakes as well as allegations of discrimination. Chart 13 display the types of fair housing allegations made and Chart 14 displays the protected class that filed complaints in Eugene.

**Chart 13. 2016-2019 Alleged Acts Against Households Seeking/Keeping Housing**



Source: FHCO

**Chart 14. 2016-2019 Complaints Filed to FHCO by Protected Class**



Source: FHCO

The FHCO reported a total of 49 cases from Eugene residents between January 2016 and June 2019. The charts depict relatively clear trends. Between 2016 and 2019, 65% of housing discrimination issues were from persons believing to be discriminated against on the basis of a physical or mental disability. Of those cases filed, 37% alleged a landlord or property manager did not supply reasonable accommodations to a tenant. Almost a quarter (24%) of Eugene’s alleged discriminatory practices were related to a landlord’s terms and conditions to rent.

## Opposition to Affordable Housing

---

Social (Not In My Backyard or “NIMBY”) and political barriers to building affordable housing can also act as an impediment to furthering fair housing choice. NIMBYism among homeowners may include opposition to affordable housing or increased density townhomes, small multi-family apartments, or even duplexes. Reasons often cited include a danger to a community’s existing quality of life that will negatively affect home values, overburdened schools, increased local expenditures, higher crime, and more traffic. Although research from the Joint Center for Housing Studies at Harvard University has shown that affordable housing does not necessarily result in these perceived risks, it is difficult to overcome long-held beliefs and conventional wisdom without local research and clear communication that would demonstrate otherwise.

The 2019 Oregon State legislative sessions addressed the affordable housing issues across the state. Most notably, HB 2001, sponsored by Eugene’s representative Julie Fahey and now law, requires cities with more than 10,000 residents to allow duplexes in lands zoned for single-family dwellings within an urban growth boundary. The Bill did, at least initially, create opposition by some residents concerned about the impact of higher density on their neighborhoods. As the state and regions continue to grow while addressing affordable housing issues, continued creative solutions coupled with education and outreach will be needed to mitigate NIMBYism and allow more dense housing development, including affordable housing, within the urban growth boundaries.

# PUBLIC SECTOR POLICY REVIEW

## Introduction

---

Public policies developed and enforced at the local and regional levels help steer housing development patterns and may influence housing choices available to residents. Fair housing laws have a primary purpose of ensuring equitable access to the community in which someone lives.

The assessment of public policies and practices can help determine potential impediments to housing opportunities to a specific sub-population (protected classes) or residents at large. This section provides an overview of those policies and practices enacted by Eugene that may impact fair housing choice.

## Planning and Zoning

---

The city’s Comprehensive Plan and the zoning ordinances are two fundamental tools that allow the City to adjust when, where, how dense, and how much housing is to be developed. The Comprehensive Plan is the long-term planning document guiding the city’s development needs over time. Zoning ordinances and associated housing policies provide the short-term enforcement of the Comprehensive Plan. Zoning ordinances influencing development must reflect the city’s Comprehensive Plan to achieve the plan’s vision and goals. The City of Eugene’s zoning ordinances are the section of municipal code that dictate

the land use designations laid out in the Comprehensive Plan. It codifies development standards and permitted uses to govern the density, type, and design of different land uses for the protection of public health, safety, and welfare.

The Federal Fair Housing Act does not pre-empt local zoning ordinances. It does, however, prohibit a jurisdiction from enacting and implementing land use policies that have the effect of excluding or otherwise discriminating against protected classes of persons. Further, some policies may be deemed as “neutral” in their language, in that the ordinance may apply to all persons. Land-use policies—such as density or design requirements that make residential development prohibitively expensive—limit development of multi-family housing. Household occupancy standards may be considered discriminatory if it can be proven that these policies have a disproportionate impact on minorities, families with children, or people with disabilities.

One example of such an ordinance that courts have ruled as having a disparate impact on persons with disabilities is the definition of “family.” Traditionally, a jurisdiction may allow any number of related persons to live together while limiting the number of non-related persons living together. Applicable to all persons, defining the term “family” could be seen as neutral impact. However, those persons with a disability may experience a negative impact of this policy because persons with disabilities who often need to live in group settings for both programmatic and financial reasons may now have fewer housing options due to a potentially narrow definition of “family.”

Disparate impact refers to practices that adversely affect one group of people of a protected characteristic more than another, even though rules applied by landlords should remain neutral. Traditionally, a jurisdiction may allow any number of related persons to live together while limiting the number of non-related persons living together. Applicable to all persons, defining the term “family” could appear to be neutral impact. However, this narrower definition of “family” may cause a negative impact by further limiting housing options for any non-traditional family unit.

#### *Definition of “Family” in Eugene*

Family is defined in Eugene Municipal Code Section 9.05 as:

*A person living alone, or any of the following groups living together as a single nonprofit housekeeping unit and sharing common living, sleeping, cooking and eating facilities: (A) Any number of persons related by blood, marriage, adoption, guardianship or other duly-authorized custodial relationship; (B) A maximum of 5 unrelated persons; (C) Two unrelated persons and any parents or children related to either.*

Although the definition is relatively broad in nature, part (B) does place an arbitrarily specific number among those persons living in a single housekeeping unit that may be unrelated. Similarly, part (C) identifies what could be a non-married couple with children living within the home. While all parts of the definition appear to have the intent to be inclusive, defining the number and types of relationships may offer justification to a landlord or property company to discriminate based on household size or type.

#### Fair Housing Act Definition:

Familial Status: Includes children under the age of 18 living with parents or legal custodians, pregnant women, and people securing custody of children under 18.

State courts in California have found that defining the term “family” does not serve any legitimate or useful purpose recognized under zoning and land planning powers. Similarly, Michigan, New Jersey, and New York State courts have made rulings acknowledging the distinction between related and unrelated families in zoning ordinances as discriminatory. Lawmakers in Iowa have banned this distinction in zoning ordinances. A key concept of defining family within zoning ordinances is “formal family vs. functional family.”

“Formal family” definitions are often termed as traditional and place restrictions on what may demonstrate a family. “Functional family” posits that a self-selecting and functional family may not necessarily consist of a specific number of unrelated members. Consequently, regulating the structure of a family unit may in fact be discriminatory.

#### *Definition of “Disabled Person” in Eugene*

Eugene’s Municipal Code does not include a specific definition of “disabled person”; however, its definition of subsidized low-income disabled housing does explicitly call out disabled persons. The Municipal Code states, “*subsidized low-income housing is exclusively for low-income individuals with physical or mental disabilities and/or low-income families with physical or mental disabilities*”. The Municipal Code’s definition does not define “disability” more narrowly than a person with “physical” or “mental” disabilities.

Importantly, neither of the definitions identified above stand in opposition to the Fair Housing Act. The definition of “family” may need to be revisited and may impose an impediment to certain kinds of household types. Although “disabled person” is not defined in the code, a definition for subsidized low-income housing that references “disabled person” does not place greater limitations on the term than the Fair Housing Act does.

Fair Housing Act Definition:  
Disabled Person: Individual with mental or physical impairments (including hearing, mobility, and visual impairments; cancer; chronic mental illness; HIV/AIDS; or mental retardation) that substantially limit one or more major life activities.

#### *Permitted Residential Densities by Zone*

Many variables—both governmental and non-governmental—influence the housing market. One way in which government significantly impacts the housing market is through the restriction and/or allowance of development of only certain residential density types. Effective density standards ensure the opportunity that development of higher density units may take place, potentially reducing per unit costs and increasing the number of affordable housing units in the city.

Table 4 presents a summary of the allowable densities by land use type in Eugene.

**Table 4. Density Allowance by Land Use Type**

Generalized Land Use (By Density)	Density Range (du/ac)*	Typical Residential Type	Allowable Density
<b>Single-family</b>			
<b>Estate/Rural</b>	<1	Very low-density housing where agriculture is predominant	•
<b>Very Low</b>	0 to 1	Single-family homes on large lots in rural areas	•
<b>Low</b>	1 to 3	Single-family homes on large lots	•
<b>Medium</b>	3 to 6	Single-family homes on medium-sized lots	•
<b>High</b>	6 to 14	Smaller single-family homes	•
<b>Multi-family</b>			
<b>Low</b>	6 to 15	Town homes, duplexes, condos, and small single-story apartments	•
<b>Medium</b>	15 to 20	One and two-story apartment complexes	•
<b>High</b>	20 to 30	Two and three-story apartment complexes	•
<b>Very High</b>	30 to 50	Large multi-story apartment and condo complexes; mixed-use	•
<b>Special High</b>	50+	High-rise apartment and condo complexes; mixed-use	•

\*du/ac is defined as dwelling units/acre

Source: Eugene Zoning Ordinance Municipal Code

Eugene allows for the development of single-family and multi-family units in all identified residential zones, as summarized in Table 4. This maximizes the opportunities for the development of additional housing, which may potentially increase the volume of housing stock that is affordable to those lower-income households.

Along with allowing the development of housing at varying densities, Eugene permits “pyramid zoning.” Pyramid zoning is when a typically more restrictive zoning designation is permitted in a typically less restrictive zoning area. Eugene allows single-family rentals (SFR) in multi-family/higher density residential zones. This pyramid zoning may ease shorter term pressure on the housing market should the demand for SFRs outpace the supply, but could potentially reduce long-term affordable housing opportunities if less dense housing is developed on land that permits multi-family housing. These types of policies aim to maximize the opportunities for developers, which in turn increases the opportunities for the development of additional affordable housing units.

In 2015, City Council provided direction on updating the City’s housing (Clear and Objective) land use codes, last updated in 2002, to accommodate up to 15,000 more homes in the urban growth boundary by 2032. ORS 197.307(4) requires that local governments adopt and apply clear and objective standards, conditions, and procedures regulating the development of “needed housing.” The new criteria’s purpose is to remove barriers to affordable housing development while also supporting community values of livability, public health and safety, and natural resource protection. In May of 2019, the City Council

advanced the proposed Clear & Objective land use code amendments on to the formal adoption process, which has included ongoing working sessions before going to public hearings and final adoption.

### *Accessory Dwelling Units*

An accessory dwelling unit (ADU) is a secondary, self-contained dwelling that may be allowed in conjunction with a detached single-family dwelling. Initially intended to be units where family members lived on the same property as each other while in separate housing units, ADUs are sometimes referred to as “granny flats” or “in-law units.”

However, over time, areas with tighter housing markets have more frequently adopted policies that promote ADUs as a means to expand affordable housing options. Although the colloquial terms for ADUs give the notion that their intention is for family members, surveys in Portland, OR; Seattle, WA; and Vancouver, BC found that just over half of ADU tenants had no relationship with the ADU owner.

On January 21, 2020, City Council passed an ordinance that made changes to the city’s ADU regulations intended to catalyze development of more ADUs throughout the city. The primary changes were:

- Removed owner/occupancy and parking requirements
- Removed barriers to above garage ADUs and ADUs on sloped land by increasing the building height and sloped setbacks
- Added accessory dwellings as an explicitly permitted use in additional zones
- Applied R-1 Low Density Residential zone standards to accessory dwellings in some zones
- Removed language that regulated dog keeping separately for an accessory dwelling
- Allowed for accessory dwellings on new flag lots

These changes are expected to ease the administrative and regulatory burdens for development of ADUs. Further, the City Council has a work session on incentives for ADU development scheduled.

### *Parking Requirements*

Requiring a minimum number of spaces for housing development may constrain housing production and increase costs. Primarily, parking standards that set parking allocation for different sizes of units rather than enforce blanket requirements for all sizes and types of units provides reduces development barriers. Eugene current parking requirements reflect a willingness to increase density and reasonably offer developers the space needed to develop affordable housing.

### *Mobile and Manufactured Home Requirements*

Healthy housing markets include a variety of safe and affordable housing options. Mobile home parks offer an option for some lower-income households and/or households living on a fixed income. It is important that these mobile home parks are held to a standard that are attainable but also ensure safety and wellbeing of households. The Oregon legislature has established regulations and standards related to manufactured homes, which include mobile homes. Eugene ordinance directs the development, sale, and rental of manufactured homes to Oregon State standards outlined in Chapter 446—Manufactured Dwellings and Structures, Parks, and Tourist Facilities of the ORS. Recognizing the role of mobile home parks as an important affordable housing option, in 2019 the State allocated \$9.5 million to encourage nonprofits to preserve mobile home parks by purchasing parks and replacing substandard-quality mobile homes.

## *Shelter and Supportive Housing Requirements*

### *Emergency Shelter*

Operated by public or nonprofit agencies, emergency shelters provide accommodations for individuals and families experiencing homelessness or other crises such as natural disasters or domestic violence situations. These facilities usually offer temporary shelter (for up to six months) and meals for residents. Homeless shelters are permitted with a conditional use permit in mixed-use employment zones and in light-, medium-, and heavy-industrial zones. All emergency shelters may be required to undergo a planned unit development review and any shelter established before 1984 must comply with special development standards.

### *Supportive Housing*

Eugene zoning ordinances do not explicitly address transitional housing or supportive housing. Permanent supportive housing and transitional housing are allowed in all zones where residential housing is allowed. A zoning ordinance on single-room occupancy (SRO) states that SRO facilities are permitted by right in community and major commercial zones and in limited high- and high-density residential zones. In medium-density residential zones, they are required to secure a conditional use permit.

## *Development Fees and Incentives*

### *Development Fees*

Construction of housing imposes specific costs upon Eugene for administrative work, planning services, inspections, and other services. To recoup those costs, the City imposes development fees to ensure that services and infrastructure are available to the community. Some of those fees are:

General Plan Amendment	Conditional Use Permit	Variance
\$6,339.44 to \$8,777.77	\$6,830.49	\$690 plus \$98.50 inspection fee

### *Development Incentives*

The Low-Income Rental Housing Property Tax Exemption is an incentive enabled by state statute that encourages the development of rental housing for low-income households earning 60% of the AMI. The incentive offers a 20-year exemption for rental properties constructed or rental properties owned by 501c(3) nonprofits.

The City of Eugene offers an exemption from paying the system development charge (SDC) as outlined in Eugene Code 7.705. This SDC is the fee that comes along with a development within City limits for connecting to the wastewater or sewer systems. Because the city limits the number of SDC waivers made available each year, a waiver is not guaranteed for all development that may qualify. The SDC waiver is primarily for larger multi-family rental development but may be used for small rental development and single-family homeownership development.

Set by standards published each year by HUD, the income limit is 60% of the AMI for rental development and 80% of the AMI for homeownership development. The affordability requirement associated with the development receiving an SDC waiver must be met for a period of five years.

### *Construction Excise Tax*

A financial feasibility analysis was conducted on the implementation of a construction excise tax (CET) in Eugene as part of the Tools & Strategies Report. It found that some types of residential developments do not meet the minimum threshold of financial feasibility or are marginally feasible even without a CET. However, the analysis puts forward several steps for the City to investigate regarding the implementation of a CET. In May 2019, the City Council passed an ordinance establishing the CET in Eugene. For the first year, the CET will be 0.33% of the value of the permitted work; this will increase to 0.5% the following year. It is projected to remain at 0.5% for every year thereafter. The tax will be a dedicated source of funding for affordable housing; all money collected through the tax will go to the Affordable Housing Fund which pays for projects and programs that increase availability and access to owner- and renter-occupied housing that is affordable to lower income community members.

The CET is required to be paid by the developer or property owner who is developing property within Eugene city limits. The CET applies to certain improvements to property that results in additional square footage or improvements which create additional living space. Some entities are exempt from paying the CET, such as:

- Private schools making improvements
- Residential housing that is guaranteed to be affordable to households that earn no more than 80% of the median household income for a period of at least 60 years following construction
- Public or private hospitals making improvements
- Religious facilities making improvements

### Public Housing and Voucher Programs

Homes for Good, the housing authority for Lane County, manages 695 public housing units and administers 3,065 Housing Choice Vouchers (“Section 8”) throughout the county. The housing is targeted towards low- and moderate-income households, including members of protected classes. The housing authority works closely with local agencies and stakeholders to ensure that properties meet quality standards and are offered in a variety of sizes and locations to meet the needs of residents. Of the public housing units, 37 units are available to persons with disabilities—they are 504 accessible, in reference to Section 504 of the Rehabilitation Act of 1973, to ensure housing is readily accessible by persons with disabilities. In January 2020, there was one household waiting for a 504-accessible unit.

Homes for Good’s site-based public housing waitlists throughout the county currently have a total of 1,016 households. Two public housing developments from Homes for Good are in Springfield: McKenzie Village and Pengra Court. McKenzie Village has 52 one-bedroom units, 90 two-bedroom units, and 30 three-bedroom units serving seniors, persons with disabilities, and families. Pengra Court has 17 two-bedroom units and 5 three-bedroom units. The 17 public housing scattered site homes throughout Springfield range in size from two-bedroom to four-bedroom homes. One-bedroom units are in the highest demand among those looking for housing through Homes for Good—most frequently from households on a fixed income who are unable to afford market rent.

## PRIVATE SECTOR POLICY REVIEW

This section reviews the lending practices of financial institutions serving Eugene and analyzes lending outcomes and their implications on access to financing across different household types. By exploring discrepancies in outcomes across applicant households—including low-income and minority households—the analysis highlights potential concerns in mortgage lending.

### *Legislation Protection*

Financial institutions have historically not always employed fair lending practices. Credit market distortions and other activities such as “redlining” were prevalent and prevented some groups from having equal access to credit. The Community Reinvestment Act (CRA) in 1977 and the subsequent Home Mortgage Disclosure Act (HMDA) were designed to improve access to credit for all members of the community and hold the lender industry responsible for community lending.

### *Conventional versus Government-Backed Financing*

Conventional financing involves market-rate loans provided by private lending institutions such as banks, mortgage companies, savings and loans, and thrift institutions. To assist lower- and moderate-income households that may have difficulty in obtaining home mortgage financing in the private market due to income and equity issues, several government agencies offer loan products that have below market rate interests and are insured (“backed”) by the agencies. Sources of government-backed financing include loans insured by the Federal Housing Administration (FHA), the Department of Veterans Affairs (VA), and the Rural Housing Services/Farm Service Agency (RHA/FSA). Often government-backed loans are offered to the consumers through private lending institutions. Local programs such as first-time homebuyer and rehabilitation programs are not subject to HMDA reporting requirements.

## Mortgage Lending

---

### *Community Reinvestment Act and Home Mortgage Disclosure Act*

The CRA is intended to encourage regulated financial institutions to help meet the credit needs of their entire communities, including low- and moderate-income neighborhoods. However, the CRA rating evaluates the entire institution rather than provide insights regarding the lending performance at specific locations by the institution.

### *Home Mortgage Disclosure Act*

Unfettered access to fair housing choice requires impartial and equal access to the mortgage lending market. The Fair Housing Act prohibits lenders from discriminating against members of the protected classes in granting mortgage loans, providing information on loans, imposing the terms and conditions of loans (such as interest rates and fees), conducting appraisals, and considering whether to purchase loans.

In tandem with the CRA, the HMDA requires lending institutions to make annual public disclosures of their home mortgage lending activity. Under HMDA, lenders are required to disclose information on the disposition of home loan applications and on the race or national origin, gender, and annual income of loan applicants. An analysis of mortgage applications and their outcomes can identify possible discriminatory lending practices and patterns in a community.

The analysis of lending uses 2017 HMDA data for the Eugene Metropolitan Statistical Area (MSA), which encompasses all of Lane County. HMDA data provide some insight into the lending patterns that exist within a community. However, HMDA data are only an indicator of potential problems; the data cannot be used to conclude definitively that redlining or discrimination is occurring due to the lack of detailed information on loan terms or specific reasons for denial.

**Table 5. Percent of Loan Applications Received by Race/Ethnicity**

	American Indian/Alaska Native	Asian	Black or African American	Native Hawaiian or Other Pacific Islander	White	Hispanic or Latino
<b>Conventional Loans</b>	0.4*	2.5	0.7	0.3*	78.6	2.5
<b>Government Loans</b>	1.0*	0.6*	0.8*	0.4*	82.7	4.0

Source: HMDA 2017

\* Indicates where the total applications received were less than thirty (30)

The populations of both Lane County (85%) and Eugene (82%) are predominately White, non-Hispanic (2017). The 2017 loan application rates diverge from racial makeup of Eugene among two groups: Black or African American and Asian households. While Asian households account for 4.5% of the Eugene population, Asian households applied for 1.9% of all loan applications received in 2017. Similarly, while comprising 1.8% of the Eugene population, Black or African American households applied for 0.7% of all loan applications.

Application denial rate for each race/ethnicity group where data is collected are outlined in the table below. A denial rate of greater than 10 percentage points may determine a disproportionate amount of denials for a certain race or ethnic group. Those groups with a denial rate 10 percentage points higher than the jurisdiction as a whole are highlighted in **yellow**.

It is important to note that because White households make up a large majority of the Eugene MSA, it is difficult to determine if a certain group is experiencing discrimination in the application process. Therefore, the data below should inform but not serve as confirmation or allegation of discrimination.

**Table 6. Loan Application Denial Rate by Race/Ethnicity**

	All Race & Ethnicity	American Indian/Alaska Native	Asian	Black or African American	Native Hawaiian or Other Pacific Islander	White	Hispanic or Latino	Not Hispanic or Latino
<b>Conventional Loans</b>	<b>8.0</b>	<b>20.0*</b>	11.1	9.1	6.3	7.8	16.0	7.8
<b>Government Loans</b>	<b>8.6</b>	5.0	<b>23.1*</b>	0.0	0.0	7.9	7.2	8.3

Source: HMDA 2017

\* = The category has less than 30 total applications

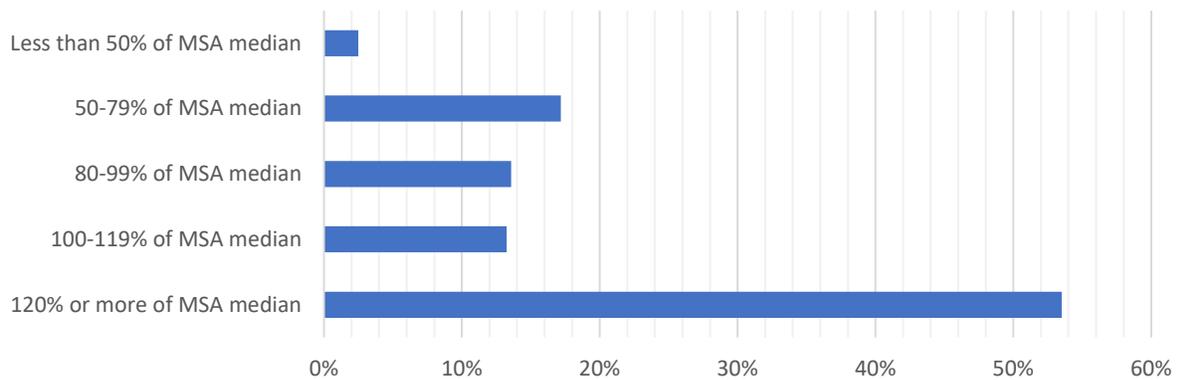
Among conventional loan applications, the Eugene MSA had an 8% denial rate in 2017. American Indian/Alaska Native households had 20% of their loan applications denied. The HMDA data shows that a total

of 20 applications from American Indian, Alaska Native households were received and 4 of them were denied.

For government loans, the Eugene MSA denial rate was 8.6% of loan applications in 2017. Asian households had 23.1% of their loan applications denied. The HMDA data shows 13 Asian households applied for a government loan and 3 of them were denied.

Chart 15 and Table 7 below highlight the amount of loan applications submitted and denied by income bracket and then race and income bracket.

**Chart 15. 2017 Total Loan Applications by Income Bracket**



Source: HMDA 2017

Just over half of all loan applications submitted are from households earning more than 120% of the AMI for the Eugene-Springfield MSA (Lane County). An income of \$57,252 is 120% greater than the median income of \$47,710 in 2017 for the county.

Similar to Table 6 above, racial/ethnic groups that experience denial rates of 10 percentage points or greater as compared to the entire income bracket is highlighted in yellow.

**Table 7. Loan Application Denial Rate by Income Category & Race**

	All Race & Ethnicity	American Indian/Alaska Native	Asian	Black or African American	Native Hawaiian or Other Pacific Islander	White	Hispanic or Latino	Not Hispanic or Latino
<b>Conventional Loans</b>								
< 50% Median Income	27.8	66.7*	60.0*	-	-	24.8	20.9	25.9
50-79% Median Income	13.0	20.0	9.1	40.0*	0.0	12.3	38.5*	12.1
80-99% Median Income	8.1	33.3*	21.1*	16.7	0.0	7.0	5.0	8.3
100-119% Median Income	6.2	0.0	0.0	0.0	0.0	6.1	11.1	6.1
>120% Median Income	6.1	0.0	6.6	0.0	14.3	6.3	10.0	6.1
<b>Government Loans</b>								

< 50% Median Income	37.8	-	0.0	-	-	40.6	33.3	40.6
50-79% Median Income	13.5	50.0*	0.0	0.0	0.0	13.3	3.0	14.2
80-99% Median Income	8.3	0.0	33.0*	0.0	0.0	7.2	15.4	6.8
100-119% Median Income	6.0	0.0	-	0.0	0.0	4.9	15.4	5.4
>120% Median Income	5.8	0.0	28.6*	0.0	0.0	4.9	0.0	5.5

Source: HMDA 2017

\* = The category has less than 30 total applications

Table 7 above indicates there is disparate impact for several types of households. Most notably, American Indian/Alaska Native and Asian households, both of which experience disproportionately high denial rates in three or four different income brackets. This data presents a potential concern and impediment to fair housing for these race/ethnicity groups. However, caution is advised due to the small sample size; there are less than 30 applications in each instance in which the denial rate is 10 percentage points above the denial rate of all race/ethnicity groups.

## SURVEY RESULTS

As part of this analysis, in conjunction with the consolidated planning process undertaken jointly by Springfield and Eugene, community members and service providers were invited to participate in a community survey. The survey received 211 community member responses and 68 service provider agency responses. Eugene’s Housing Policy Board’s Renters Protections Task Team also developed and administered a survey January 2019 that captured renters’ experiences in the city.

### Renters’ Experience Survey

The survey received 851 responses, 98% of which came from Eugene residents. A summary of responses by key topics follows.

**Affordability:** Just over half of all respondents reported being unsatisfied with their rental home, with nearly 70% attributing their dissatisfaction to high rents. About half (51%) of responders indicated they have experienced a rent increase.

**Availability:** A total of 71% of responders found their search for a rental home to be competitive and stressful. Comments from this question indicated availability is a layered issue, citing the difficulty in finding a unit that was affordable, habitable, and in a location that suits their needs.

**Access and Stability:** Approximately one-third of all survey responders indicated they have experienced discrimination while searching for their home. Comments cited source of income, disability, familial status, age, and martial/domestic partner status as the alleged basis for the discrimination. Comments further indicated that difficulties with credit scores, income requirements, and deposit/application fees presented additional barriers. Of all responses, 25% of renters indicated they had been asked or forced to leave their rental home in the past year.

**Quality:** A total of 661 renters indicated they were unsatisfied with their home; of those renters, 38% indicated the home’s condition, habitability, and maintenance is substandard. Several renters

commented that they do not report maintenance requests for fear of retaliation resulting in a no-cause eviction.

Awareness of Current Programs: A total of 486 responses were gathered on the types of fair housing programs renters are familiar with. Of those, about 63% know of Eugene’s Rental Housing Code, about 30% were familiar with the Fair Housing Council of Oregon (FHCO), and about 25% were familiar with the City’s Human Rights Office. Comments on the awareness of programs indicated that many renters were concerned about reporting fair housing issues due to fear of landlord retaliation.

## Community Survey

---

The community survey included 16 questions regarding fair housing issues.

Of the 211 responses, 67% are satisfied with their current living situation and 76% are satisfied with the neighborhood in which they live. Of those not satisfied with their home, the most common cause of dissatisfaction is high rent, making it difficult to save money or pay down other debt. Of those dissatisfied with the neighborhood in which they live, the most common causes are safety concerns and road/traffic noise.

*Have you ever been asked or forced to leave your rental home?*

Of those that have been asked or forced to leave their home, 24% indicated it was a no-cause eviction and 19% indicated the rent increase was such that they were unable to stay in the lease.

*Have you or someone you know had difficulty in finding suitable housing within the past five years? (affordability, accessibility, etc.)*

Of those that responded to this question, 91% responded ‘Yes.’ When asked to elaborate on the reasons, the overwhelming majority stated that the difficulty lies in the few affordable options in their given price range. Some respondents cited high deposit fees and an overly tight rental market.

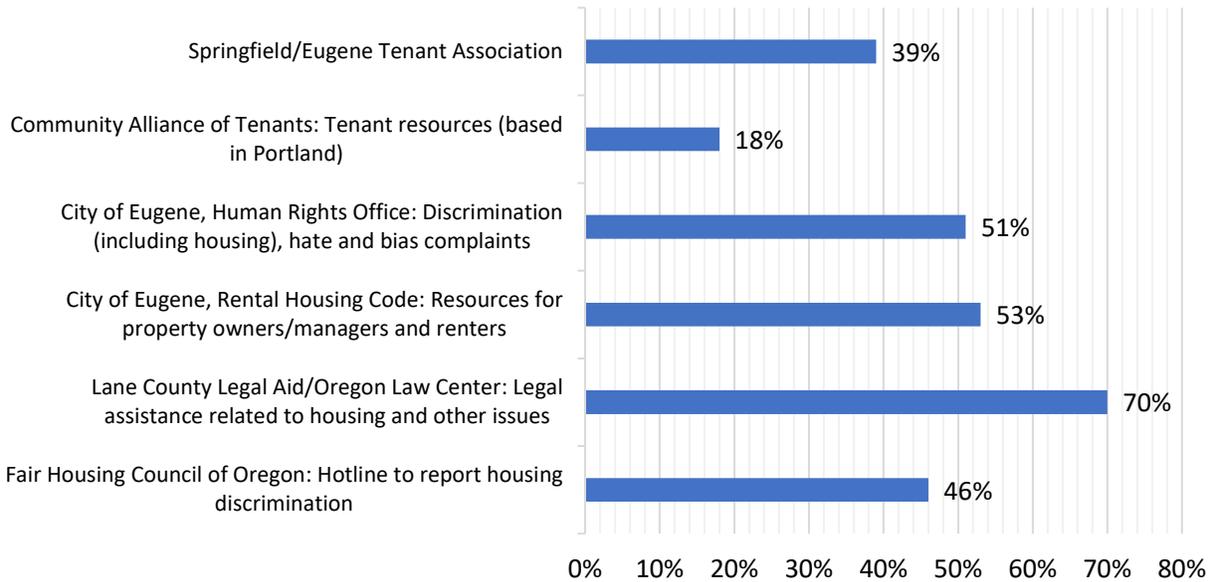
*Do you feel you have ever been discriminated against in a housing search, trying to secure a home loan, or while renting?*

Of those that responded, 78% answered ‘No’ to this question. Of those that responded ‘Yes’ to this question, the most common basis for the discrimination was age, marital or domestic partner status, familial status, and source of income. Each of these reasons received 10 to 12 affirmative responses.

Please identify the resources available to renters that you are familiar with. Check all that apply.

Responses to the question are shown in the Chart 16 below.

### Chart 16. Survey Responses



The responses to this question indicate that while most respondents know about at least a few of the resources available to renters, there is room for further education to make renters aware of resources.

### Provider Survey

Sixteen of the community surveys questions related to fair housing issues. Some of those relevant questions and highlights are below.

*Have your clients expressed difficulty in finding housing that suits their needs?*

All respondents to this question answered 'Yes.' The provider survey reflects the perspectives of individuals offering supportive services, whose clients are often receiving some sort of publicly funded support and may have greater difficulty in finding adequate housing. Affordability was overwhelmingly cited as the primary reason for this difficulty, followed by size of the home and access to public transit.

*Do the majority of your clients live within a particular neighborhood or part of the community?*

Of those that responded to this question, 84% answered 'No,' which indicates that those households receiving supportive services are not necessarily segregated to a single part of the city. Also of importance, Eugene does not have any HUD-designated R/ECAP census tracts.

*Are you aware of the fair housing requirements that prohibit discrimination based on protected classes?*

Virtually all (99%) of respondents answered 'Yes' to this question. It is important that service providers, those that regularly connect and engage with those households receiving varying levels of supportive

services, are able to offer clear and knowledgeable guidance to clients. The response to this question may be impacted by the work done following the development of the previous AI.

*What resources would be helpful for your agency in efforts to further fair housing in Eugene?*

The top responses to this question were informational materials/handouts to share with residents and agency staff, followed by additional fair housing trainings. Comments from service providers identified several barriers encountered by their clients, including:

- Conviction history further limiting housing options, no matter how far in the past a conviction was
- Application fees and deposit costs
- Very few naturally occurring affordable housing units and general low stock of housing even for households with a Section 8 voucher
- Poor credit history for many low-income households attempting to secure market rate housing

# IMPEDIMENTS TO FAIR HOUSING CHOICE

## Introduction

The sections above identified Eugene characteristics on demographics, housing and socioeconomic conditions, financial lending practices, and zoning and ordinance policies as they relate to impediments to fair housing choice. The characteristics all play a part in the City’s understanding of their efforts to further fair housing. Based on this analysis, the City identified potential impediments to fair housing choice. The table below summarizes these potential impediments, the basis for identifying the impediment, and potential strategies and actions to take that may mitigate or remove the impediment.

Impediment	Basis of Impediment	Strategies and Possible Future Actions
Lack of Affordable Housing	<p>Although housing cost alone may not typically be considered an impediment, a high-cost market creates conditions that increase the risk for fair housing violations to occur. Incomes of protected classes are more often lower than other groups. Data in this document specifically shows households with a disability earn less than those households without a disability.</p> <p>Market forces in Eugene have made it very difficult for lower-income residents and those with fewer financial resources to secure safe, decent housing. The majority of responders to the Renters Experiences Survey found that finding housing was difficult due to price and the competitive market. About 57% of all renter households and 68% of low- and moderate-income renter households are considered cost burdened (paying more than 30% of monthly income towards housing costs).</p>	<p>The City has recognized the impact of high housing cost on its residents and is actively working on several initiatives to expand the affordable housing stock as outlined in the Eugene City Tools &amp; Strategies Report. Specific actions include the relaxation of ADU regulation, the implementation of a construction excise tax (CET) and associated Affordable Housing Trust Fund, making several improvements to streamline the permitting and environmental review process, and establishment of the Renter Protections Committee.</p> <p>The City should continue to monitor and promote these activities and explore new ways to strengthen and expand incentives for the creation of housing with the characteristics (e.g. size, type) that is in highest need and affordable by low- and moderate-income populations.</p> <p>The City should continue to allocate and leverage Federal grants to create and preserve affordable housing and seek opportunities to leverage these funds for greater impact (e.g. use of Low-Income Housing Tax Credits). Continue to identify other local avenues to raise funds for affordable housing.</p>

Impediment	Basis of Impediment	Strategies and Possible Future Actions
Community Education	<p>Both the Renter’s Experience Survey and Consolidated Plan and AI surveys conducted in 2019 indicate that many renters are unaware of resources available to them to address fair housing issues. Lack of awareness of fair housing resources or of the process to file a complaint is exacerbated by the steady influx of new renters from outside of Eugene who are attending the University of Oregon. Similarly, those agencies that provide social service supports to the community may experience turnover and some service agency staff may lack the understanding of fair housing rules needed to head off discrimination in renting, lending, or purchasing.</p> <p>Stakeholder meetings identified limited receptivity to new developments, especially affordable housing development, in the community at large. There is a need for additional education of the importance and impact of affordable housing in general, and of siting of affordable housing.</p>	<p><u>Resident Education</u> The City should continue to partner with the Fair Housing Council of Oregon (FHCO) to facilitate trainings and workshops marketed to residents, which provide education on fair housing issues.</p> <p><u>Provider Education</u> The City should continue to partner with FHCO to offer trainings to social service agencies and those providing housing support to low- and moderate-income households, ensuring those providing services are in the position to act as liaisons for fair housing issues of their clients. Providers need not deeply understand fair housing regulation but should be able to facilitate the process with a client or community they believe to be impacted.</p>

Impediment	Basis of Impediment	Strategies and Possible Future Actions
Landlord Education	<p>High housing costs and very low-vacancy rates have given landlords greater leverage in the rental market. This leverage over renters, especially those protected classes, may manifest in discriminatory practices, whether knowingly or unknowingly.</p> <p>Private landlords with one or two units are held accountable to fair housing laws and standards the same way a property management company is. Therefore, all landlords within the city need to be educated and regularly reminded of their fair housing obligations. Of special importance are landlords near the university, where a significant portion of international students reside. Landlords within immediate proximity of the university will need to be cognizant of language barriers. Language barriers may present issues in an individual's understanding of rental agreements and terms.</p> <p>While 22% of the Renters' Experience Survey responses indicated they had personally experienced housing discrimination, and an additional 12% of respondents said that they have experienced a no-cause eviction and/or extreme difficulty in finding a suitable unit (quality, size, proximity to work/school), the need for landlord education in an increasingly tight rental market remains a concern.</p>	<p>Continue to work with FHCO and facilitate trainings and workshops for landlords of properties of all sizes. Ensure landlords with one or two properties fully understand fair housing obligations. The City is encouraged to research feasibility of developing a policy mechanism, such as an annual certification, that would ensure that landlords understand their role in fair housing issues.</p>

Impediment	Basis of Impediment	Strategies and Possible Future Actions
Discrimination in Renting	<p>The fair housing complaint data and qualitative data from the FHCO indicated that the most common cause for fair housing allegations are derived from households with a disability. Examples of allegations include refusal of a reasonable accommodation (wheel-chair ramp, grab bars, etc.) or a landlord’s refusal to show a property to a household with a disability.</p> <p>The community survey indicated that several tenants were told by a potential landlord that they do not accept Section 8 Vouchers; source of income is a protected class. The community survey responses also indicated that there was alleged discrimination against a potential tenant based on marital status and size of family.</p>	<p>Continue to work with FHCO on enforcement of fair housing allegations. Research the feasibility of conducting fair housing testing on a regular basis. Fair housing testing is both administrative policy review and audit testing. Administrative review may evaluate a landlord’s application process or a property management company’s lease agreement terms. Audit testing consists of having someone from a protected class go through the process or renting a unit, identifying potentially problematic procedures.</p>

Impediment	Basis of Impediment	Strategies and Possible Future Actions
Planning, Land Use, and Zoning Practices	<p>The definition of “family” referenced in the City’s Municipal Code, which places an arbitrary number of persons living in a single housekeeping unit that may be unrelated (five), is a potential impediment to housing choice.</p>	<p>Review definition of “family” in the City’s Municipal Code related to number of persons living in a single housekeeping unit.</p> <p>The City is encouraged to continue to integrate equity and impact assessments into the policy and planning process—particularly how proposed changes or regulatory efforts will impact protected classes (to include low-income in this instance). An example is the City’s Housing Dispersal Policy; a policy that works to evaluate whether a specific housing development is furthering the goal of dispersal of low-income family rental units throughout the city.</p>

Impediment	Basis of Impediment	Strategies and Possible Future Actions
Potential Lending/Sale Discrimination	<p>It is important to first note that the Housing Mortgage Disclosure Act (HMDA) data in this AI is for all of Lane County and that minority populations are small relative to the overall population. This potential impediment is identified strictly for further investigation. It is not possible given the data to confidently connect a low volume of loans from a specific protected class to discriminatory practices on the part of banks and lenders.</p> <p>The data indicates a general low volume of loan originations from households that are Hispanic and/or non-White relative to their proportion of the Lane County population. This does not necessarily indicate discriminatory practices; however, it could be due to bank comfortability, language barriers, or unfamiliarity with the process, among other variables.</p>	<p>The current lending and mortgage data are limited in scope and have small sample sizes of protected classes. The City is encouraged to consider outreach to local banks and lending institutions to review their practices and acquire data that could supplement the data within the AI. Data within the AI suggests Hispanic populations originate loans at a lesser rate than do White households.</p> <p>The State of Oregon has established the Task Force on Addressing Racial Disparities in Home Ownership in September 2019. The City should consider allocating staff time/resources to stay abreast on recommendations that come from this task force. Some of the preliminary recommendations are:</p> <ul style="list-style-type: none"> <li>• Improve education and training required of and provided to mortgage and real estate professionals.</li> <li>• Develop pilot programs to address racial disparities in homeownership.</li> <li>• Increase funding for down payment assistance and Individual Development Accounts (IDAs) to support homeownership by people of color.</li> </ul> <p>For all preliminary recommendations please see: <a href="#">LINK</a></p> <p>For the <i>Report on Addressing Barriers to Home Ownership for People of Color in Oregon</i> please see: <a href="#">LINK</a></p>