

# Street and Alley Improvement Subsidy Program

The City of Eugene offers an assessment subsidy program to financially assist low- to moderate-income property owners who are assessed to improve an unimproved street or alley serving their property.

Generally, unimproved streets have gravel or asphalt mat surfaces. Improving streets and alleys helps to enhance neighborhood pride and aesthetics. The improvements help revitalize deteriorating neighborhoods and property values. Fully improved streets also provide safer traveling surfaces, reduce wear and tear on vehicles, improve drainage, decrease dust, and generally reduce the long-term maintenance costs for the City's road network.

## **Income Subsidy Program**

During the construction process but prior to Council adopting the assessment, property owners will be notified about the low- to moderate-income subsidy program. This program is available to financially assist local property owners in paying their assessments for street and alley paving on designated projects. Subject to funding availability, the "City" will pick up a portion of the assessable costs of a project for qualifying property owners who occupy a single family home or duplex.

The subsidy applies only to properties served by unimproved streets and alleys that meet the following criteria:

Properties must be -

- Residentially zoned
- Owner occupied
- Developed as a single-family dwelling or duplex.

The project must be initiated by the City Council or by a petition of the majority of property owners, as outlined in the municipal code, and property owners must meet income eligibility limits. Funding is limited and will be distributed on a priority basis each year.

There are three levels of eligibility for the subsidy program; Very Low, Low and Moderate. If your income is in the Very Low category, the City pays 5/6 of the street assessment. If your income is in the Low category, the City pays 2/3 of the street assessment. If your income is in the Moderate category, the City pays 1/3 of the street assessment.

## **Income Guidelines for Program Eligibility**

Additional eligibility criteria related to property ownership, dependents and other assets may apply. The income scale is based on Eugene-Springfield median family income for federal fiscal year 2009. As reflected in the detailed guidelines on the reverse side of this fact sheet, qualifying income amounts differ depending on how many owners there are on a property and the number of dependents in the household.

## **Funding Street Improvements**

General fund property taxes are not used to finance street construction or maintenance. Eugene's local street network has been predominately financed through direct assessments to abutting property owners. Long-term maintenance is paid for by gas tax revenues.

Cost typically is the primary factor influencing a property owner's decision about whether or not to support a street improvement project. With the flexible street standards and the income subsidy program, most property owners now have options that may help them support improvement of their street or alley.

For both streets and alleys, assessments are based, in part, on actual construction costs. Generally, the costs of street and alley improvements are apportioned as described below:

### **Streets:**

Costs are assessed to residential property owners according to the number of residences served by the street and to nonresidential property owners based on lot frontage and area. The costs for sidewalks and for adjusting driveways to match the new street are additional.

### **Alleys:**

Improvement costs are assessed to adjacent property owners according to three factors: zoning, footage abutting the improvement, and the square footage of the lot. Adjustments to match existing parking areas and driveways are additional costs and are based on the needs of each parcel.

If a property owner qualifies for a subsidy program, when the assessment is adopted by the City Council, property owners have 10 days to pay the non-subsidized portion of their assessment in full or sign a Notice of Assessment to pay the assessment in monthly or semi-annual installments, including administrative fees and interest, over a ten year period. Depending on available funding, a 15-year financing option may be available. The owner shall

pay an interim interest rate until the interest rate of the long-term debt is known. Both the interest rate and administrative fees are subject to change. In addition, when a property owner finances with the City, there is a lien against their property. The assessment balance may be paid in full at any time without penalty.

**Street Assessment Subsidy Income Guidelines for Local Improvement Projects Assessed in 2011**

This chart illustrates the income limits to qualify for low income subsidy available to **Single Owner** households:

Single Property Owner Household Income Limits			
Qualifying Members of Household	VERY LOW	LOW	MODERATE
1 Owner	\$20,125	\$31,625	\$43,125
1 dependent*	\$23,000	\$34,500	\$46,000
2 dependent	\$25,875	\$39,100	\$51,750
3 dependent	\$28,750	\$43,700	\$57,500
4 dependent	\$31,625	\$48,300	\$63,250
5 dependent	\$34,500	\$52,900	\$69,000
6 dependent	\$37,375	\$57,500	\$74,750
7 dependent	\$40,250	\$62,100	\$80,500
Additional members	\$2,875	\$4,600	\$5,750
Not counting owners			

This chart illustrates the income limits to qualify for low income subsidy available to **More-than-one Owner** households:

Multiple Property Owner Household Income Limits			
Qualifying Members of Household	VERY LOW	LOW	MODERATE
More than 1 Owner	\$23,000	\$34,500	\$46,000
1 dependent*	\$25,875	\$39,100	\$51,750
2 dependent	\$28,750	\$43,700	\$57,500
3 dependent	\$31,625	\$48,300	\$63,250
4 dependent	\$34,500	\$52,900	\$69,000
5 dependent	\$37,375	\$57,500	\$74,750
6 dependent	\$40,250	\$62,100	\$80,500
7 dependent	\$43,125	\$66,700	\$86,250
Additional members	\$2,875	\$4,600	\$5,750

\*Per Council Resolution 4281 (Street Subsidy Program Council Policy Guide) - Dependents are those that are not owners, who reside on the property, and are related by blood or marriage in the first or second degree.

**FOR MORE INFORMATION**

**Subsidy Qualifying Criteria & Assessment Payments**

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 (541) 682-5022

**Street/Alley Improvement Questions**

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