






# How can we increase housing affordability availability and diversity .

**While Eugene is consistently ranked as a top place to live, many people struggle to find housing they can afford.** Currently, 54% of renters and 32% of homeowners in Eugene spend more than 30% of their monthly income on housing. Approximately 66% of households in Eugene cannot realistically afford to purchase a home. Living outside the City and commuting in for work helps some, but adds to traffic congestion, parking challenges, and

increased carbon emissions that negatively impact everyone. How can our community increase *affordability, availability, and diversity* in Eugene, so individuals and families can better afford to live here?

**This handout presents four strategies for deliberation, along with options for implementation.**

At the October 4 meeting, the Working Group identified options that mostly fell into 3 main categories, that we will call strategies. You will be asked to consider each one of them, as well as a list of other options that didn't fit into the main strategies.

Strategy	Key	Rationale
<b>1: Remove land use code barriers</b>		To increase housing units while preserving these qualities, land within the Urban Growth Boundary needs to be used more strategically and intensively.
<b>2: Reduce cost and time burden for development of housing units</b>		Builders are key partners in making more housing available. To help them build more, make it easier, faster, and cheaper to build new housing units. Reduce or remove financial and regulatory barriers to housing (reduce fees and streamline processes). With more housing supply to meet the demands of our growing city, costs may not rise so much.
<b>3: Increase inventory of and access to Affordable units</b>		Ensuring that people are safely housed creates a multitude of public benefits including increased public safety, increased wellbeing for children and families, and decreased carbon emissions from out-of-town commuters.
<b>4. Additional options</b>		Some ideas didn't fit into the main strategies, but may still be impactful.

This handout was prepared by Carrie Bennett of Learning Through Difference, LLC in cooperation with Strategic Economic and the City of Eugene For more information about the Housing Tools and Strategies Working Group go to [www.eugene-or.gov/3960/housing-tools-and-strategies](http://www.eugene-or.gov/3960/housing-tools-and-strategies)

## Strategy 1: Remove land use code barriers.

### Background: Housing Composition in Eugene

- **Eugene’s housing stock is largely made up of single-family homes, but it’s more diverse than other places in Oregon.** Single family homes are estimated to make up about 55% of Eugene housing units, compared to 63% in Lane County and 64% in the State of Oregon as a whole. Apartments are estimated to make up 26% of housing units in Eugene. “Missing Middle” housing types, such as duplexes, townhomes, triplexes and fourplexes, are estimated to make up just 16% of Eugene’s housing stock.
- **The share of apartments has been increasing in recent years, but production of other Missing Middle housing types is lagging.** Permits for new single-family homes in Eugene have made up 34% of all housing unit permits since 2008, while permits for apartments have accounted for 55% of the total. Missing Middle housing types accounted for just 9% of permitted units from 2008-2017. For every Missing Middle unit permitted in Eugene, four single family units are permitted. In addition, permits for ADUs appear to have significantly fallen off beginning in 2015.

### What We Heard: Barriers to Providing Diverse Housing Types

Strategic Economics interviewed people with experience developing a range of housing types in Eugene, including larger-scale housing developers, architects and contractors, and “amateur” developers building their first ADU. We also spoke with City of Eugene staff. What we heard:

- **The zoning code is too inflexible.**
- **While the City of Eugene prioritizes Missing Middle housing types in *Envision Eugene* and other long-range planning documents, in practice the City’s planning priorities don’t translate into enabling Missing Middle units.** The timelines are too long and there are too few financial incentives to build these housing types, which in the end made projects difficult to complete.
- **ADU production is severely impacted by zoning language that is ambiguous and site design requirements that are illogical and arbitrary.** Barriers include:
  - System Development Charges are based on unit count rather than unit size.
  - Design requirements do not take into account constraints on sloped lots, making it very difficult from a design perspective to make an ADU work on a slope.
  - ADUs can only be constructed if the property owner intends to occupy either the primary unit or the ADU. This was viewed as both arbitrary and discriminatory against renters.
  - ADUs cannot be taller than 15 feet, which makes it difficult to add a loft or second story.
  - Parking requirements for ADUs add to costs and can make it difficult to build.

## Strategy 1: Remove land use code barriers


Option	Key	Explanation
1. Revise land use code to encourage Accessory Dwelling Units (ADUs) in all single-family zones.		<p>An ADU is a secondary dwelling unit on a single-family residential lot. Sometimes called ‘granny flats’ or ‘mother-in-law units’, they include small free-standing units, converted garages, and separate space within the primary unit’s structure.</p> <p>The City could encourage more ADU development specifically by removing or altering current regulations that require owner-occupancy of either the primary or accessory unit, an off-street parking space for the ADU unit, minimum lot sizes for a lot to be eligible for an ADU, and other regulations that make it difficult to convert existing structures into an ADU. A state law requires all cities in Oregon to allow ADUs in all single-family zones.</p>
2. Revise land use code to allow Single-Room Occupancy (SROs) by-right in all residential zones.		SROs are single rooms without private kitchens or bathrooms (typically). They are affordable options for individuals with very low incomes. Currently, special permits are required in some zones.
3. Revise land use code to allow for development of more diverse “missing middle” housing types.		The current zoning code limits construction in many residential areas to single-family homes. If someone wants to build something different, they must go through a lengthy and complex land-use application process. One approach is that diverse housing types could be allowed by-right, meaning they are explicitly allowed to be built, and there is not opportunity for the permit to be appealed.
3-A. Enable by-right housing options, including duplexes, triplexes, cottage clusters, and smaller homes on smaller lot sizes in all single-family zones.		Another option to encourage different building types, would be to reduce regulatory barriers such as minimum lot sizes and setback requirements, and simplify requirements for proposals under a certain number of units.
3-B: Enable by-right housing options along key corridors.		
3-C:* Enable more missing middle in green fields or large subdivisions.		Missing middle housing types could be allowed in newly developing areas (greenfields–undeveloped/ vacant land). These types could also be allowed on development sites over a certain size, such as two acres.

\*New options identified at the November 14<sup>th</sup>, Housing Tools and Strategies working group meeting.

### Key



 City of Eugene currently does this option

11/28/2018

 + City of Eugene currently does this option, but could expand it.

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## Strategy 1: Remove land use code barriers

Option	Key	Explanation
4. Revise land use code to ease development standards for adaptive re-use (converting an existing non-residential building—such as a church—into residential).		Current code limits how much you can change the use of existing buildings. Certain rules determine how much space is required between a building and a property line. By changing these rules, builders would have more flexibility in design and construction.
4-A. Improve the adjustment review process for adaptive re-use.	<input checked="" type="checkbox"/>	
5. Enable more multi-family development along key corridors. (See glossary for a map of Eugene’s key corridors.)	 +	Key corridors in Eugene are major roads that provide the backbone of connectivity. They have public transit stops and bring cars and buses from neighborhoods into and out of central areas. They typically include a mix of residential and commercial uses, including retail that serves the surrounding neighborhoods.
5-A: Create a ‘key corridor overlay’ (with design standards), which allows multi-family development on all key corridors.		
5-B: Reduce parking requirements for certain multi-family housing types along key corridors		
6. Replace current code with a form-based code.		Traditional zoning codes separate specific uses (commercial, residential, etc.). Form-based codes focus on building form and how the building interacts with the public space (streets and sidewalks) around it. Form-based codes don’t regulate what happens inside buildings, only how they look from the outside. Eugene has two form-based codes that apply to specific neighborhoods.
6-A: Create a city-wide form-based code, which would replace the current land use code.		
6-B: Create form-based codes in certain areas.	 +	
7. Remove neighborhood-specific zoning.		Eugene has “special area zones” which allow for or prohibit special land uses in specific areas or neighborhoods.
7-A*: Review, evaluate, and adjust neighborhood-specific zoning.		Several areas of the city include zoning that was developed to apply to only a small portion of the city. Over time, the land use code has grown in size and complexity as more neighborhood-specific or special-area zones were completed. In some cases, these zones include barriers to housing production, such as more specific design and density requirements, that don’t exist citywide. A review of these zones, through a code audit, could uncover barriers that would be worthwhile to consider removing. See Option 9.

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Option	Key	Explanation
8. Activate "Opportunity Siting" Program.		The City's Opportunity Siting Program was envisioned to proactively identify sites for multi-family development. It could increase successful multi-family housing in certain areas through collaborative design review (directly involving Neighborhood associations in the approval process) and apply incentives such as a density bonus or SDC reductions to those sites. In 2009, the Opportunity Siting task team made recommendations for this program.
9. Complete land use code audit of <i>regulatory</i> barriers to housing.	 <input checked="" type="checkbox"/>	An audit will identify barriers that are regulatory (i.e., size of setbacks). City received a state grant to conduct audit and is in process to get contract finalized.
10. Scrap the zoning code.		Remove all regulations regarding what can be built where.
10-A*: Re-write the zoning code.		It would be a monumental undertaking to re-write the entire zoning code. The end outcome could be as minor as changes to the code suggested as options throughout Strategy 1 or as comprehensive as changing to a citywide form-based code (Option 6)
11. Align Zoning map with Comprehensive Plan map (currently <i>Metro Plan's</i> Plan Diagram).	<input checked="" type="checkbox"/>	The Comprehensive Plan map shows the intended future use of land in Eugene. The Zoning map shows what is currently allowed. The two maps are inconsistent as they were created at different times and have different levels of specificity; typically, the Zoning map allows less density than the Comprehensive Plan map. A builder must go through a land use process, a zone change, to build a structure that is allowed by the Comprehensive Plan, which adds cost, time, and uncertainty to the development process.
50*: Add pre-approved ADU plans.		ADUs can be built in a variety of styles and shapes to fit different lots in Eugene. A set of building plans for different styles could be developed and pre-approved by the City, reducing time and cost for individual property owners who would like to build an ADU. This option would likely have a small impact on the overall housing need, but would be a likely benefit to some individuals who want to build an ADU.

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## Strategy 1: Remove land use code barriers

Option	Key	Explanation
52*: Allow for additional housing units on major streets.		This is similar to Options 3a, 3b, and 5a, but would expand housing options on major streets that are not key corridors, for example Hilyard, 24 <sup>th</sup> , Irvington, or Harlow. The additional housing types allowed could be duplexes, triplexes, fourplexes, rowhouses, cottage clusters, small apartments, or any subset of these options.
53*: Revisit/revise land use code to allow for more tiny homes/tiny communities.		Collections of tiny homes such as Emerald Village are restricted in where they may be placed, and must go through an appealable land use process such as a Planned Unit Development (PUD). A tiny home ordinance could be created that allows tiny homes or tiny home communities (typically under 400 square feet) in more places and with less process. As single-family detached units, tiny homes consume more land per unit than multi-story dwelling units and require individual water and sewer connections, which can be costly.

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## Strategy 2: Reduce cost and time burden for development of housing

### Background

In Eugene low vacancy rates for both rentals and ownership properties reflect strong demand for housing, and trends show production of some housing types has declined over the last several years. This decline is especially true for apartment projects and ADUs. It's not completely clear what has caused the drop-off, but barriers to housing production cited by developers in Eugene include:

- City fees, project delays and uncertainty in the City process caused by appeals, and
- High costs for building material, labor, and land.

The City can play a role in reducing or removing financial and regulatory barriers to housing, but tradeoffs include City revenues and financial resource constraints since fees imposed on new development provide revenue for Eugene's utility, transportation, and park networks, and for the fiscal sustainability of city service delivery. It should be noted that Eugene already waives System Development Charges for Affordable housing developments and has a centralized "one-stop-shop" model for all permitting requests.

### What We Heard: Costs of Development

Strategic Economics interviewed developers and City of Eugene staff to understand costs and processes. What we heard:


- **Under current conditions it is very difficult to make a reasonable return building Missing Middle housing types, which is one reason why very few of them are being built.** Some developers are delivering these more innovative housing products under current regulations because they're personally invested in the end result (ex: building an ADU for a family member) or because their moral interest in delivering the product type outweighs the fact that the project resulted in a limited return or financial loss for them.
- **Building permits for townhome projects take too long.** Townhome permits and subdivision requirements are cumbersome and cause costly delays.
- **The Planned Unit Development (PUD) process has the potential to significantly delay projects.**
- **The Planned Unit Development (PUD) and appeals processes add delays and cost to multifamily developments with three or more units in many cases.** A PUD process is required of projects with 3 or more units in areas zoned "low-density residential" (R-1) in most cases. This process opens the project up to public appeal. Similarly, an adjustment makes a project appealable by the public.
- **SDCs for ADUs and other Missing Middle housing types are not scaled on building size.** Developers noted that SDC and permitting fees, along with EWEB requirements that each unit have separate water meters and sewer hookups, add significant costs to unit types that do not have the same revenue potential as single family.
- At least one developer noted a specific project that would not have worked without the Multi-Unit Property Tax Exemption (MUPT) benefit.

\*New options identified at the November 14<sup>th</sup>, Housing Tools and Strategies working group meeting.

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## Strategy 2: Reduce cost and time burden for development of housing

Option	Key	Explanation
12. Adjust System Development Charges (SDCs) program to reduce development costs for market-rate housing that are smaller and lower cost.		SDCs are fees imposed on new development. In Eugene, new development pays SDCs for transportation, parks, wastewater, stormwater, and water (water SDCs are collected by EWEB). A new development imposes new costs on these infrastructure systems. For example, a new 50-unit residential building will use capacity at the wastewater treatment facility. The treatment facility will not expand to accommodate that individual development, but it will add capacity in the future when enough new development has used up all existing spare capacity. The SDC is designed to cover the proportional cost of new construction.  The City is in the process of updating the Transportation SDC, and staff have recommended that it have a lower fee for multi-family housing in the downtown and along key corridors.
12-A: Delay the collection of SDCs until a property is ready to receive its certificate of occupancy.		
12-B: Reduce SDCs for multi-family developments in the downtown and along key corridors.	<input checked="" type="checkbox"/>	
12-C: Reduce SDCs for ADUs.	<input checked="" type="checkbox"/>	
12-D: Reduce SDCs for all “missing middle” housing types.	<input checked="" type="checkbox"/>	
12-E*: Place a cap on the SDC waiver.		
12-F*: Scale SDCs to the size and impact of what’s built.		
13. Revise the land use appeal process, with shared costs for recovery of legal fees by the prevailing party.		Eugene’s land use code allows any party to appeal a land use decision. If a housing project requires a land use application, there is an opportunity to appeal that decision. The appeal process adds time, legal fees, and uncertainty for the developer.  The City’s local laws allow for reduced appeal fees from the appealing party if it is a City-recognized Neighborhood association but only for decisions made at the local level (at the Hearings Official and Planning Commissions levels). The appealing party covers their own legal fees. The developer must cover legal fees, without any cost reduction, to defend the appeal. There are no negative financial consequences for the appealing party if the appeal has no legal merit.
14. Revise the Multi-Unit Property Tax Exemption (MUPTE) program for market-rate housing.	 <input checked="" type="checkbox"/>	Eugene has a property tax exemption program that allows new multi-family units (5 or more units) to be exempt from property taxes on the value of new residential construction for up to 10 years. The MUPTE lowers the new development’s operating costs, which
14-A. Extend the MUPTE boundary to include key corridors (see glossary).	<input checked="" type="checkbox"/>	

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<p>14-B. Simplify the criteria that must be met to receive an exemption.</p>	<p><input checked="" type="checkbox"/></p>	<p>could impact the financial feasibility. The property continues to generate taxes for the land value during the exemption period.</p> <p>The program is currently available in the downtown, but its boundary has shifted over the last 3 decades. The program currently requires the applicant show the development has green building features, makes a 'moderate income housing' contribution, shows that local subcontractors are being considered for use, and that the project would not be financially feasible without the property tax exemption.</p>
<p>15. Improve the Clear and Objective standards.</p>	<p> +</p>	<p>Eugene's land use code includes a "Clear and Objective" path to approval for land use applications for housing. This is a set of approval criteria that are intended to be objective and measurable, which is useful for straightforward developments that don't require flexibility.</p> <p>The City is working in 2018 to revise the Clear and Objective housing approval criteria to ensure they are working effectively and efficiently.</p>
<p>16. Streamline/speed up the permitting process. Prioritize staff dedicated to the building and land use permitting processes for certain housing types.</p>	<p><input checked="" type="checkbox"/></p>	<p>The City issues land use and building permits in the order the applications come in. The time required to review and approve a permit depends on the volume of applications and staff capacity. To reduce the approval time for missing-middle types, the City could explicitly move those applications to the 'front of the line.' This would move other non-prioritized projects further back in the line.</p>
<p>17. Advocate to change Oregon law to reduce liability requirements for condominium projects.</p>		<p>Current liability laws for faulty construction for condominiums (that is, owner-occupied multi-family) are viewed by developers as onerous. They have increased the cost of insurance and developer risk for ownership multi-family projects, which results in less development.</p>
<p>18. Complete land use code audit of <i>process</i> barriers to housing production.</p>	<p> <input checked="" type="checkbox"/></p>	<p>An audit will identify barriers that stem from processes, such as allowed appeals. The City received a state grant to conduct an audit and is in process to get the contract finalized.</p>

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19. Provide funding assistance to connect infrastructure to residential land identified in Eugene’s Buildable Lands Inventory.	☑	Eugene’s Buildable Land Inventory was an analysis of land identified as ‘developable’ in Eugene. Some of these parcels are not served by urban infrastructure (such as roads, water, and sewer). The cost to serve some of the areas is so large that it makes development uneconomical.
51*: Change state law regarding SUPTE		Single Unit Property Tax Exemption. A property tax exemption for new single-family development, similar to MUPTE, Option 14. State laws allow the City to enact a property tax exemption for multi-family housing; it does not allow an exemption for single-family housing.

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## Strategy 3: Increase inventory of and access to Affordable Housing.

### Background Information: Defining Housing Affordability in Eugene

Housing is generally considered “affordable” if monthly housing costs account for 30% or less of a household’s income. For households that cannot afford market-rate housing, federal, state, and local governments may provide assistance in two ways:

- **Government subsidies:** Several government funding sources provide funding to cover the gap between what qualifying households can pay, and the cost of providing Affordable housing. In general, new Affordable housing development requires a contribution from a local government in addition to state and federal funding. Most subsidies target households with incomes at or below 60% of Area Median Income for rental housing and 80% of Area Median Income for homeownership.
- **Requirements or incentives for private-sector contributions:** Local governments can create requirements or provide incentives for private development to contribute towards Affordable housing. For example, local governments may require private development to pay a tax towards to support Affordable housing (the construction excise tax), require a percentage of new units to remain Affordable to low- or moderate-income households (an inclusionary zoning requirement), or allow development at a greater height or density in exchange for Affordable units (density bonus).

These two methods are often combined in projects. Units that are produced through either of these two methods are typically subject to a deed restriction or covenant under which the property owner agrees to restrict the units to households in certain income categories for a given amount of time, and to limit monthly rents or purchase prices.

- Eugene has 3,406 protected affordable rental units with deed restrictions that specify income requirements. These units are funded through a variety of sources, including federal low-income housing tax credits, HOME project funds, Section 8, and others, and are owned primarily by non-profit organizations and the Lane County housing authority – Homes for Good. A smaller number of units are owned by private entities.
- These units are largely reserved for very low-income households (with household incomes under 50% of area median income).
- These units make up approximately 5% of total units in Eugene, while one-third of Eugene households have annual incomes less than \$25,000, which is around 50% area median income for a 2-person household.

### What We Heard: Barriers to Building Affordable Housing in Eugene and Strategies for Overcoming Them


- Federal funds for Affordable housing have been in decline for many years.
- Construction costs are rising for multifamily product types.
- Developers are concerned that a Construction Excise Tax (CET), and other additional fees/ taxes on development, may negatively impact project feasibility for market rate units.
- Developers responded very favorably to incentives for providing protected affordable units, such as density bonuses, SDC and permit fee reductions or waivers, or flexible parking requirements.

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### Strategy 3: Increase inventory of and access to Affordable Housing units

Option	Key	Explanation
20. Identify new Revenue sources for Affordable housing units.		
20-A. Shift money from the City's General Fund, which would shift funding from other City services, to support Affordable Housing.		No local funds directly support the development of Affordable housing. The City offers exemptions to Affordable housing developments, for SDCs and a 20-year property tax exemption. Money could be shifted from other parts of the City budget and applied directly for the development of Affordable housing efforts.
20-B. Charge a construction excise tax (CET) to raise resources for Affordable housing developments.		<p>A CET is a tax on new development. Oregon law allows local governments to impose a CET on new development projects to generate funding to support Affordable housing projects. The CET can be up to 1% of the construction value for residential projects and there is no limit for commercial and industrial projects. Funds can be used to pay for incentives for developers to create and preserve Affordable housing, rental assistance, and home-ownership assistance programs.</p> <p>Eugene's Housing Policy Board recommended that the City Council authorize a CET, and Council has delayed a decision until it hears recommendations from the Housing Tools and Strategies Working Group.</p>
20-C. Use local government bonds to fund the construction of Affordable housing developments.		<p>Local government bonds are a way that local governments can raise money to pay for special projects. A bond is essentially a loan taken out by a government agency. To use a bond, a City's voters must approve a bond (for some dollar amount) and the City borrows that dollar amount. The City's taxpayers pay off the bond through property taxes.</p> <p>Oregon voters passed Measure 102 on November 6, which enables local governments to issue bonds for Affordable housing developments that may be owned by non-governmental entities.</p>
20-D. Charge an Affordable housing impact fee.		Charge a fee (similar to SDCs) when builders create market-rate housing. The amount of the fee is calculated based on the increased demand for

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		affordable housing generated by the development of market-rate housing. Fees are typically charged on a per unit or per square foot basis and revenue may be deposited to an Affordable housing fund. May require legislative action at the state level to implement.
20-E*: Charge a CET on a sliding scale by the size of the development (especially residential) ( <i>variation on 20-B</i> )		See Option 20-B. Establish a CET structure that charged a higher percentage of larger homes and a smaller percentage of smaller homes.
20-F*: Create a working group to study this option in depth and include sensible recommendations.		Depending on this (current) Working Group’s recommendation, Council could decide that this option needs more study and could convene a new working group to examine this specific option in more depth. Council directed the Housing Policy Board to develop a recommendation on CETs. Their work concluded in April of 2018.
21. Increase density bonus for qualified Affordable housing.	 +	A density bonus program allows more dense development (more units per acre) than is typically allowed in that zone in exchange for meeting some criteria. Eugene currently offers a density bonus for Affordable Housing—an up to 50% increase over what is allowed in the base zone.
22. Inclusionary Zoning (IZ).		Oregon law enables local governments to offer IZ, which requires (or encourages) new housing buildings with 20 or more units have up to 20% of the units be affordable to households earning 80% of area median income and above.
22-A: Mandatory IZ—Under state law, this could apply to any buildings with 20 or more units. State law requires that mandatory IZ include incentives (Ex: density bonus).		
22-B: Voluntary IZ—Make IZ optional but create incentives (Ex: SDC waivers, density bonus) to encourage market-rate developers to include Affordable units.		The developer can pay a fee in lieu of including the units in the building
23. Require that housing meets needs identified by specific populations.		There are no legal mechanisms to do this. The City can offer incentives but a “requirement” would not be legal. Existing Affordable units are developed to meet the needs of specific groups based on income.
24. Help low and moderate-income households purchase a home, such as navigators to support the purchase process and down-payment assistance,		The City could allocate funding to assist with down-payment assistance or to fund staffing to serve as housing navigators. The City previously offered a down-payment assistance program, however market

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(help people move up the housing ladder).		conditions and HUD requirements were impacting utilization of funds.
25. Help low and moderate-income households keep their homes safe or stay in their home, such as emergency home repair and foreclosure assistance (homeowner assistance).	 +	The City currently has a program for emergency home repairs. Demand for the program is much greater than federal funds can support. NEDCO offers limited foreclosure assistance, funded by the state.
26. Establish a community fund to help new renters.		The City could allocate funds to provide assistance to renters (advance money for deposits, first month rent, etc.). To be effective, this may require a significant amount of funding.
27. Expand Eugene’s land banking program for Affordable housing. Identify more flexible funding sources.	 +	In a land bank, a City buys land and then offers the land to Affordable housing developers at a greatly reduced cost. By providing the land, the City lowers the overall cost of development of Affordable housing on the site.  Eugene has had a land bank program since the 1970s and the program has resulted in the development of 895 Affordable rental units and 25 Affordable homeownership units.
28: Create a community land trust as a tool to provide Affordable, ownership housing.		A Community Land Trust is typically a non-profit entity that provides permanently Affordable ownership housing by maintaining long-term limits over the land.
29. Advocate to the State to change laws regarding residential prevailing wage rates for Affordable housing with ground floor commercial uses (allow for split determination from BOLI).		Oregon law requires that construction projects pay workers ‘prevailing wage’ rates if public funds are used. Prevailing wage rates are higher for some workers than market rate wages, making the construction cost of publicly funded projects relatively high.  For publicly funded Affordable developments, the housing portion is exempt from prevailing wage rates. But if it includes a commercial portion (such as ground-floor retail), the prevailing wage rates do apply to the commercial portion. If the entire development were exempt, it could lower total construction cost.

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<p>30. Loan guarantees-use City funds as backing for loans to help fund affordable housing developments.</p>		<p>Getting a loan to pay for a new construction project stops some forward progress for home builders. The city could “back” qualified loans to help support building projects that a bank would not otherwise approve.</p>
<p>31. Waive System Development Charges (SDCs) entirely for qualifying Affordable units.</p>	 +	<p>SDCs are fees imposed on new development. In Eugene, new development pays SDCs for transportation, parks, wastewater, stormwater, and water. A new development imposes new costs on these infrastructure systems. (See Option 11).</p> <p>The City allows up to \$226,000 in SDC waivers per year for qualifying Affordable units (including qualifying ADUs). Unused funds can roll over for use in following years.</p>

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## Strategy 4: Additional Options from the Working Group

Option	Key	Explanation
32. Regulate short-term rentals, such as Airbnb's.		While short-term rentals help property owners earn income, they also take units off the market that might otherwise be rented to residents. More strictly regulating short-term rentals could make more units available for long term rental.
33. Invest in grants or low interest loans for people to attend trade school, to increase the number of skilled trades-people for construction jobs.		A lack of skilled laborers to do the work of building new homes limits the pace at which construction can actually happen. By giving grants (scholarships) or low interest loans to people who would like to work in construction, the City could both help those individuals (so they can get good jobs) as well as boost the local labor supply. This could lower the cost of construction in the long-term.
34. Encourage employer-assisted housing programs.		Public and private employers have the ability to provide down payment assistance, develop new housing, or provide land for new housing. The City could promote and educate local employers, create match funding programs, or offer tax credits to employers.
35. Modify Neighborhood Associations.		Eugene's City-recognized Neighborhood Associations have many functions. Part of their mission is to establish two-way communication between neighborhoods and the City, and between neighborhoods and other external agencies. It also includes advocating the association's position on issues such as land use.
35-A: Encourage participation in Neighborhood Associations so they are more representative of the people living in the neighborhood.		
35-B: De-sanction the Neighborhood Associations.		
36. Advocate for an increase to the minimum wage with closing the housing affordability gap as a key rationale.		Regardless of housing costs, if wages stay low, people will continue to be priced out of housing. In addition to focusing on the supply of housing, the City could advocate that the state and/or federal government increase the minimum wage.
37. Develop a home-sharing program.		This would likely be outside of the City's scope of programming, but private individuals (Ex: via Craigslist) or an organization could take this on.
38. Use Eminent Domain in targeted cases to increase density.		Eminent Domain is a law that allows governments to force a property owner to sell his/her land for public use. It is often used when roads need to be expanded into private property. Property owners do not have a

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### Key

 City of Eugene currently does this option

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## Strategy 4: Additional Options from the Working Group


		choice, they must sell, but the government has to pay them a fair price. Eminent Domain could be used to purchase properties to develop Affordable housing.
39. Create a housing action plan.	<input checked="" type="checkbox"/>	A housing action plan could incorporate many of these options along with additional tools and strategies. Housing action plans are a comprehensive approach to address housing affordability, availability, and diversity. Housing action plans ensure alignment of a City's plans that document Affordable housing and land use, and existing programs and services while recommending additional actions and strategies that address a range of housing issues.
40. Create promotional materials for assistance programs/make information on process more readily available.	<input checked="" type="checkbox"/>	Invest in communication and education of the programs the City and partners currently offer. Make sure that using the services the City offers is as accessible and easy as possible for our community members and developers alike.
41. Develop a homeless shelter	 +	The City and County are currently examining the development of a homeless shelter. While an important part of the housing issue in Eugene, any shelter beds would not be considered "housing" by HUD and would not help to meet housing unit needs outlined in Envision Eugene Urban Growth Boundary analysis.
42. Allow for more types of temporary housing.		The City, County and other community partners continue to provide and potentially increase the amount of temporary housing in Eugene for those experiencing homelessness. Any temporary housing that exists or is developed would not be considered "housing" by HUD and would not help to meet housing unit needs outlined in Envision Eugene Urban Growth Boundary analysis.
43. Use data to improve decisions and understand impacts.	 +	The City is building a growth monitoring database so the staff and community can better understand trends in housing development and demographics.
44. Protect renters and availability of rental properties.		Various tools or programs could be explored to help provide more stability for renters in Eugene.

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## Strategy 4: Additional Options from the Working Group

44-A: Advocate to State for stronger tenant protections (rent stability, eviction protections)		
44-B: Support and expand landlord/tenant arbitration/mediation.		
45. Mobile home conversion controls.		Mobile homes are less expensive housing options. By preserving these, the City can keep these types of affordable units available. The City has such an ordinance in place, but it does not address rising rents for the spaces nor physical condition of the units.
46. Condominium conversion controls		Before a property owner can convert a rental property into a condominium (ownership), the owner must give existing residents an opportunity to purchase a unit. The City has such an ordinance in place.  This program does not increase the supply of housing.
47: Create tools that require residency for housing, to incentivize home ownership over investor-acquisition of housing units.		Since the 2008 recession, many of the houses that went into foreclosure were purchased by investors and then rented out. Some investors are able to outbid homebuyers, making it difficult for households to purchase homes. While there are ways to incentivize this, there are no legal mechanisms to require it.
48. Preserve “naturally occurring” affordable housing.		There is no legal mechanism to do this. If a homeowner wants to fix-up or even “flip” a run-down home, the city cannot realistically stop this.
49. Create transitional zone as a buffer between commercial and residential		

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## Glossary


Accessory dwelling unit (ADU)	Additional housing units that share a lot with another (usually larger) home. These could be apartments built onto or attached to a home or a separate “cottage” in a yard space. Sometimes referred to as “granny flats”
Affordable housing	When “Affordable” is capitalized it refers to housing with regulated rents that is reserved for households with low incomes. The development of this form of housing is directly subsidized to bridge the difference between development costs and rents.
housing affordability	Refers to the portion of a household’s budget used for housing. When rent and utilities exceed 30% of a household’s budget it is considered unaffordable to that household. This concept crosses all income levels, not just for low-income households.
Area median income (AMI)	The household income for a community that is at the mid-point of that community’s income: half of all households have an income above the AMI, and the other half of the households have an income below the AMI. The term is commonly used by the federal Department of Housing and Urban Development (HUD) to identify income levels that are eligible for its programs.
By-Right	Uses that are permitted within a zoning category and may go straight to building permit; does not require a land use application or allow appeal.
Comprehensive Plan Map ( <a href="#">Metro Plan’s Plan Diagram</a> )	The <i>Metro Plan’s</i> Plan Diagram serves as Eugene’s comprehensive plan map and shows the intended future land use of properties within the Eugene-Springfield metro area.
Key Corridors	The six corridors – Highway 99, River Road, Coburg Road, South Willamette, Franklin Boulevard, and West 11th Avenue – that are intended to have frequent transit service connecting downtown to numerous core commercial areas. See the Community Vision map on the last page.
<a href="#">Land Use Code</a>	Rules that determine what land can be used for and what's allowed in different parts of the city. The code can be very long and complicated.
Market-rate housing	Housing that has no rent restriction and is not restricted by Affordable housing laws.
<a href="#">Missing Middle</a> house types	All the housing types “between” single family homes and large mid-rise/high rise apartment buildings.

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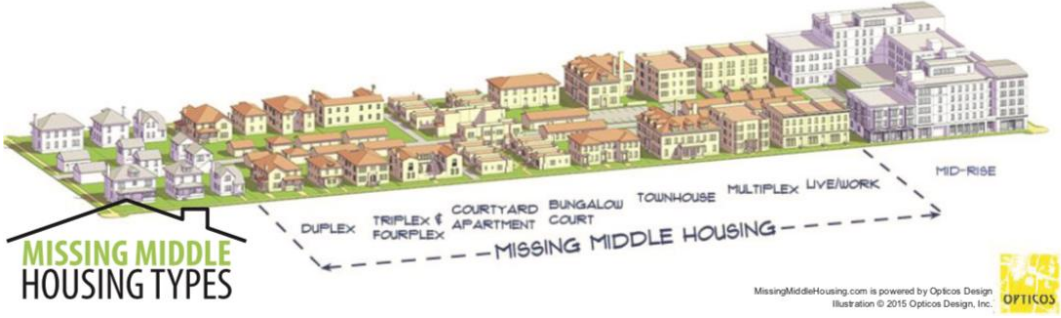
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Multi-family home	A building that's designed to house multiple families. This can include everything from a triplex to a large apartment building and everything in between.
Mixed use	A building that has more than one type of use. A common mixed-use type has commercial uses on the ground floor (such as retail) and residential on the upper floors.
Planned Unit Development	A development process that provides flexibility for site design and allows for a varied and compatible mix of land uses and housing types.
Rent burdened	A household is 'rent burdened' if it pays more than 30% of its income on housing. A household is considered "severely rent burdened" if it pays more than 50% of its income on housing.
Single Family Home	One home on one lot designed to house one family.
Single Room Occupancy (SRO)	A building containing residential rooms for occupancy by individuals. Each room is without a kitchen, but may have provision for counter-top appliances and refrigerator. The toilet/bath may be private or shared with another SRO room(s). For purposes of determining residential density in Eugene, 4 SRO rooms equal 1 dwelling.
Temporary housing	Housing that isn't intended to be permanent. Most often used for people experiencing homelessness. Temporary housing can include homeless shelters, tent encampments or other "alternative shelters."
Urban growth boundary (UGB)	A "line" that defines the edge of the city. This keeps cities from sprawling into one another and makes sure growth happens inside of this line. All Oregon cities have a defined urban growth boundary. These can be changed to allow cities to grow but these changes are controlled by a rigorous state process.
<a href="#">Zoning Map</a>	Eugene's zoning map shows what land uses are currently allowed.

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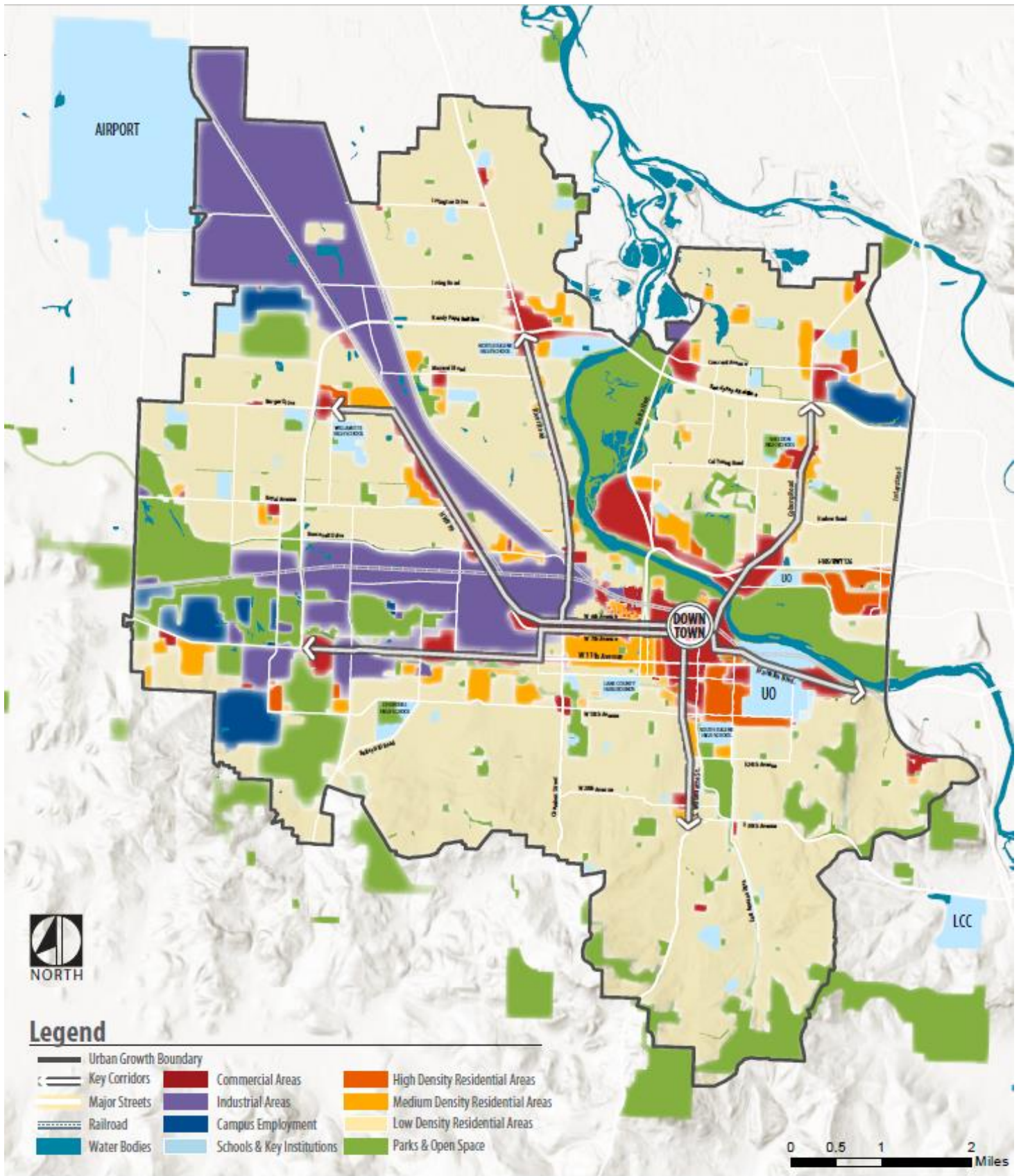
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# Community Vision

## for Homes, Jobs, Parks & Schools



Map is not tax lot specific and is for illustrative purposes only.