



MEMORANDUM

Date: December 13, 2018
To: Jon R. Ruiz, City Manager
From: Jeff Harms, MUPTE Review Panel Chair
Subject: Annual MUPTE Project Review Report – FY18

The MUPTE Review Panel presents the enclosed annual MUPTE report, which covers July 1, 2017 to June 30, 2018 (FY18), and is in accordance with Section 2.945(13)(b)3 of Ordinance 20556:

The review panel will assist the City Manager in preparing annual reports to the Council on the progress that will also include information about the program volume cap and review of the documentation required.

As a reminder, our Panel is a combination of technical interests and neighborhood representatives as called for in the Ordinance [2.945(13)(a)]. The Panel composition generally strives to represent the richness of the community's perspectives, neighborhoods, and technical expertise. The Panel includes ten members:

- Two at-large neighborhood representatives, selected by the neighborhood association boards (Bill Aspegren and Lloyd Helikson);
- Two neighborhood representatives from the specific neighborhood in which a proposed MUPTE project is located, selected by the board of the neighborhood association (at this time, Pete Knox and Sherry Schaefer from the Downtown Neighborhood Association for Olive Lofts); and
- Six technical interests, selected by the City Manager: architect/green building specialist, building trades union, developer, environmental professional, public health professional, and human rights representative (Larry Banks, Sarah Bennett, Jeff Harms, Ela Kubok, Sarah Puls, and Aaron Whitney).

(The neighborhood specific representatives are included in this annual project review and are not part of the program review. A separate memo contains our annual program efficacy review.)

For our FY18 analysis, we met on November 15, 2018 and reviewed the FY18 staff report. The enclosed staff report covers the approved projects, compliance/reporting, and program volume cap. Noteworthy elements for FY18 include:

- One new application, Gordon Lofts, was received by the City in June 2018 (deemed complete in FY19).
- No units were created.

Other than the application received from Gordon Lofts, there is no progress to report, nor are there any units toward the volume cap or required documentation. Please feel free to contact me if you have questions (541-228-2426 or jharms@nwcarpenters.org).



FY18 Report to the MUPTE Review Panel

Progress of approved projects, program volume cap, and reporting documentation



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INTRODUCTION

Staff prepared this report in advance of the Multi-Unit Property Tax Exemption (MUPTE) Review Panel’s annual meeting that is held to assist the City Manager in preparing an Annual Report on progress of the approved projects, program volume cap, and reporting documentation [Eugene Code 2.945(13)(b)3.]. The 10-member Project Review Panel is tasked with reviewing the staff report [R-2.945-G and R-2.945-H.1].¹ This report is the third one under the extensively revised program and covers the period between July 1, 2017 and June 30, 2018 (FY18).

Panel Mission

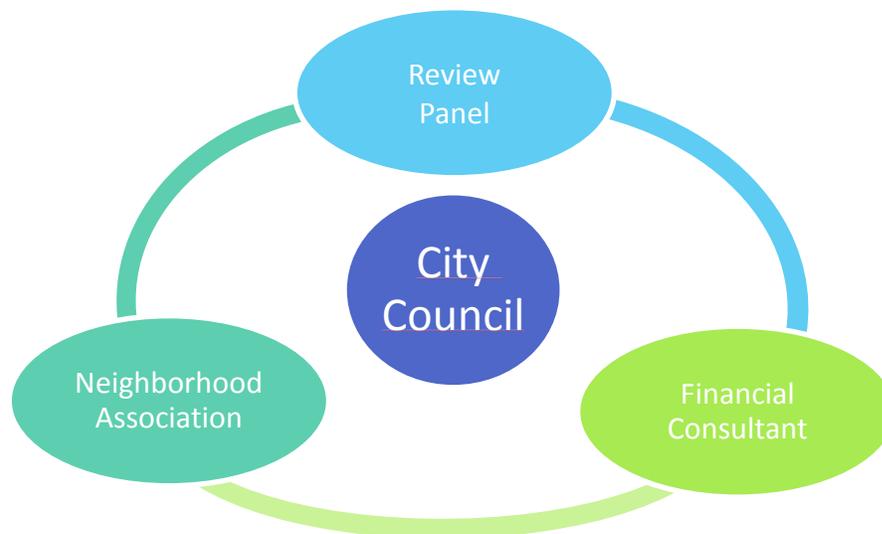
The Panel was added by City Council with the 2015 revisions to:

- Review project applications, including the consultant’s review of the project’s financial projections [2.945(4) & (13)(b)1.].
- Review the applicant’s conformance with the Required Public Benefits and make recommendations regarding approval/denial of the tax exemption to the City Manager [2.945(4) & (13)(b)1.].
- Midway through construction, at completion of construction, and during the exemption period, review the project’s conformance with approval requirements [2.945(13)(b)2.].
- Assist the City Manager in preparing an Annual Report on progress of the approved projects, program volume cap, and reporting documentation [2.945(13)(b)3.].

Other MUPTE Oversight

The main oversight is from City Council, who determines whether or not to approve an application.

- Prior to Council action, applications are reviewed by the neighborhood association, the MUPTE Review Panel, and the independent financial consultant.
- If approved, Council’s resolution includes specific conditions that must be met. Non-compliance results in civil penalties, not getting the exemption, or termination of the exemption.
- Post-approval compliance includes two opportunities for the neighborhood to provide design input, design review by staff prior to permits, submission of required documentation for specific public benefits, and convening the Panel midway through construction and when construction is complete.



¹ The 8-member Program Review Panel completes an annual review of program efficacy and, if needed, the potential addition of eligible areas to the boundary [R-2.945-H.2.].

Review Methodology

Staff compiled information for this report to assist the Panel in reviewing program activity during FY18. The information is organized under three main categories (approved projects, compliance/reporting, and program volume cap) and includes background information.

APPROVED PROJECTS

Olive Lofts, which was approved by Council in FY17, continued to work towards obtaining building permits and financing for the project at 844 Olive Street. The City received an initial application for Gordon Lofts in FY18. The application was deemed complete in FY19 and City Council approved the resolution on October 17, 2018.

COMPLIANCE/REPORTING

Background: Owners are required to submit various documentation to demonstrate post-approval compliance with the approval resolution.

- During construction, the owner will submit a list of all contractors on the project.
- After construction, the owner will submit:
 - a list of the home city or zip code of the construction labor workers, and
 - documentation for the green building pathway (see the Program Guide “Green Building” section on page 11).
- During the exemption period, the owner will:
 - submit annual documentation to evaluate compliance for projects that include moderate-income housing units or
 - pay the moderate-income housing fee; and
 - collect information on building energy usage.

FY18 Information: Olive Lofts has not yet started construction. Therefore, no post-approval compliance reporting occurred in FY18.

PROGRAM VOLUME CAP

Background: The MUPTE Program goal is to assist in the creation of 1,500 new, multi-family housing units after adoption of Ordinance 20556, which will, in part, assist in the implementation of Envision Eugene. The Panel will review the cap as part of the annual report. At such time that the MUPTE-assisted number of dwelling units constructed reaches the program volume cap, Council shall conduct a comprehensive review to determine if continuation of the program is in the best interest of the City. [Ordinance Section 6]

FY18 Information: No MUPTE units were created in FY18. The Olive Lofts approved project will create 36 residential units upon completion.