



To: Mayor Lucy Vinis and City Council
From: Allie Camp, Urban Development Analyst, and
Anne Fifield, Economic Strategies Manager
Date: October 31, 2019
Re: Housing Tools and Strategies update

Mayor and City Councilors,

The Housing Tools and Strategies (HTS) team committed to providing you with quarterly updates on the progress of items that address the affordability, availability, and diversity of housing. This memorandum provides progress since the [July 2019 HTS update](#). Updates have been provided on selected projects.

BACKGROUND

In 2018, Council directed staff to implement a process that would tie together the overlapping initiatives that address housing affordability, availability, and diversity of type. Staff implemented the Housing Tools and Strategies initiative to meet this Council directive.

In the fall of 2018, staff assembled a Working Group that identified over 80 recommendations to increase the availability, affordability, and diversity of housing in Eugene. Staff consolidated these recommendations into the HTS Action Inventory, a document that is intended to serve as a working list of actions that the City can take.

The HTS team has maintained regular contact with the HTS Working Group and other interested parties, keeping them apprised of the progress on recommendations in the HTS [Action Inventory](#). Additionally, staff have met with key stakeholders for feedback and brainstorming. [The HTS website](#) continues to be updated with new information.

UPDATES

House Bill 2001

In July staff provided a brief update on the state legislation, HB 2001. The bill seeks to address rising housing costs and limited supply. HB 2001 requires cities with populations greater than 25,000 to allow duplexes, triplexes, fourplexes, "cottage clusters," and townhomes in lands zoned for single-family dwellings. The new legislation will apply to Eugene. The bill language is very clear in its intent which will assist with implementation.

The implementation of HB 2001 aligns with many of the Working Group's planning and land use recommendations shared in the July HTS update such as:

- The land use code audit;
- Completing Comprehensive Plan chapter on housing;
- The ADU remand; and,
- River Road Santa Clara neighborhood plan/corridor study

Planning staff are developing an approach to comply with the state legislation that will be brought forward to the Planning Commission and Council for direction. Conceptually, the idea is to leverage the City's efforts already underway to address housing affordability, availability, and diversity in a manner consistent with HB 2001, including elements of the HTS work plan along with necessary land use code and comprehensive plan amendments. The approach will enable the City to comply with the legislation within the State's timeframe.

Align the Zoning map with the Comprehensive Plan map

At the March 2019 City Council work session for HTS, staff described two steps to implement the action item identified by the HTS Working Group: Align the Zoning map with the Comprehensive Plan. The two steps are:

1. To complete and adopt the Comprehensive Plan map with parcel-specific data;
2. To complete and adopt the housing chapter of the Comprehensive Plan.

These two steps will reduce the need for some administrative processes for some development applications, which will reduce costs for building housing. The Housing chapter and the map will provide guidance and lay a foundation that will make it simpler to implement many other actions identified in the HTS Action Inventory.

Since July, Planning staff have continued working with Lane Council of Governments (LCOG) to develop a technical methodology to digitize the Metro Plan diagram for City staff review. Staff recently hired an intern who will assist in clarifying land use plan designations boundaries and improve the accuracy of the map at the individual property level through research and documentation of land use decisions, neighborhood refinement plans and other planning documents.

River Road Santa Clara Neighborhood Planning Process

The River Road-Santa Clara Neighborhood Plan includes draft goals, policies, and actions that support adding more housing types along River Road, a key transit corridor, as well as along major streets. Elements of the neighborhood vision relating to the corridor and allowing more housing types are consistent with the intent of HB 2001.

The neighborhood planning process is in the Action Planning phase, where community volunteers are refining a list of draft actions to implement each of the neighborhood plan goals. The [neighborhood plan survey](#) presents draft actions for community input, and the results will guide the Community Advisory Committee as they continue to refine actions and work to identify neighborhood priorities. In addition, the River Road [Corridor Study survey](#) presents two draft land use concepts for how to plan for housing near the River Road corridor – should we plan for denser apartments along River Road and major side streets, or allow middle housing such as triplexes, cottage clusters, and rowhouses over a wider area within walking distance of the corridor? The results of this survey will inform refined draft code concepts that allow a variety of housing types.

This fall refined draft actions and draft code concepts will be vetted at a community event, River Road and Santa Clara Community Organization meetings, a triple bottom line sounding board, and Planning Commission meetings. This community vetting and input will help inform the development of a draft neighborhood plan and any proposed zone or code changes, which will go through a public land use process with community, Planning Commission, and City Council/Board of Commissioners meetings leading up to plan adoption and implementation. For more information, visit the [project website](#).

Accessory Dwelling Units

At City Council's October work session on Accessory Dwelling Units (ADUs), council discussed and voted on several potential changes to the draft ordinance before them. The draft ordinance was prepared in response to City Council direction, a recent Land Use Board of Appeals decision and recent changes in state law. Among other things, it includes the removal of owner/occupancy requirements and the removal of on-site parking requirements. At the meeting, Council voted in favor of amending the ordinance to remove barriers to ADUs on sloped lots and to remove barriers to ADUs being built above garages. Council is expected to take action on the full ordinance before the end of the year.

At the request of City Council, HTS staff are researching tools to lower the cost of building ADUs in Eugene. There are certain costs that stem from the process of developing an ADU that fall within the City's purview. However, all these cost savings tools will need to be discussed at a policy level in order to understand the impacts of forgoing fees. Understanding how these costs may impact development will help to inform any attempts at lowering the cost of building ADUs in our community.

Parks system Development Charges Methodology

In July Parks and Open Space began a discussion with City Council to develop a new methodology for how system development charges (SDC) for Parks are allocated. This methodology change stems from the July 2018 adoption of Picture. Plan. Play. A Vision and Implementation Plan for Eugene's Parks and Recreation System, commonly referred to as the Parks and Recreation System Plan. This plan outlines a vision for Eugene's parks and recreation network implemented over the next 30 years, and in order to fund the plan it will require multiple capital funding sources, one of which is SDCs.

The proposed methodology includes a tiered residential rate structure that bases the fee amount on housing size. This methodology directly supports the Working Group recommendation to adjust SDCs to reduce development costs for housing types that are smaller, lower cost, and have a lower impact on public infrastructure. The proposed methodology reduces Parks SDCs for houses below 800 square feet. Next steps for the proposed Parks SDC methodology include a public hearing scheduled for January 21st and additional Council Work Sessions.

Affordable Housing Trust Fund Advisory Committee

The HTS Working Group recommended identifying additional funding sources for Affordable housing in our community. In April 2019 City Council approved an ordinance to establish a Construction Excise Tax (CET). The CET will create a dedicated source of local flexible funding for affordable housing. The revenue generated through the CET began to accrue on July 1, 2019 in the City's Affordable Housing Trust Fund (AHTF).

In October, the City Manager appointed nine individuals to serve on the Affordable Housing Trust Fund Advisory Committee. Many of the Working Group's recommendations that influence housing affordability, availability, and diversity of type are eligible for funding through the AHTF such as expanding the land banking program, increasing emergency home repair capacity, creating a community fund to help new renters, down payment assistance programs for homebuyers, and permanently increasing capacity for environmental reviews of affordable housing projects. The Advisory Committee will determine priorities for the AHTF and provide recommendations to City Council to determine the use of the funds. The Advisory Committee meets for the first time on October 21. The meeting will set the stage for the committee and include introductions, learning

about the role, goals, and outcomes of the committee, and an overview of the timeline and future meetings. The November meeting will focus on understanding housing needs in Eugene.

Housing Policy Board (HPB) Renter Protections Committee

The HTS Working Group recommended increasing renter protections, and at the March 2019 HTS work session, City Council asked staff and the Housing Policy Board (HPB) to further research renter protections. In August, HPB appointed nine individuals to serve as at-large members on the [Renter Protections Committee](#). The objective of the committee is to identify priority tools and strategies to protect renters and prevent displacement in areas with changing housing market conditions in Eugene. The committee began meeting in September for its first of 12 monthly meetings. The September meeting focused on reviewing the results of the 2019 Renters Experience Survey, understanding Fair Housing, and committee work including identifying goals, a work plan, and a tentative timeline. The October meeting focused on renter and landlord education and resulted in identifying the following priority ideas:

1. The need for a hotline for both tenants and landlords,
2. The need for resources when people are becoming renters and when they are in crisis, and
3. The need to create more connected services, such as centralized information – website, location, resources and referrals.

The committee will meet in November to discuss deposit assistance and rent assistance programs.

Expand the land banking program for Affordable housing- 1059 Willamette (the old LCC building)

The HTS Working Group identified expansion of the land banking program as a solution to the limited availability of affordable housing. The July update stated that the City is pursuing a new land bank site in downtown Eugene. Staff continue to work through due-diligence pieces such as an environmental review, a historic evaluation, and a historic materials assessment to determine whether Community Development Block Grant (CDBG) funds are an appropriate use to purchase the property.

The 1059 Willamette site is also identified in the 2016 Downtown Urban Renewal Plan Amendment. As part of this land banking opportunity, staff anticipate using Urban Renewal dollars for the site's development. The land banking and Urban Renewal processes both require a public engagement and City Council approval process. Staff will begin the public engagement work this winter.

Complete the Consolidated Plan and Fair Housing Plan

The Eugene-Springfield Consolidated Plan will cover the period from July 1, 2020 through June 30, 2025. It will present an assessment of local housing, homelessness, and community development needs and establishes goals and priorities for use of HUD funds to address those needs. The HTS Working Group identified recommendations that fall within the goals and priorities of the Consolidated Plan.

The process for developing the Consolidated Plan requires consultation with a wide range of stakeholders as well outreach to targeted populations. Engagement is strongly encouraged at both the needs assessment stage and at the strategy development and prioritization stage. Staff is currently developing a consultation and public participation strategy for the Consolidated Plan. Eugene has retained the services of The Cloudburst Group, which is a consulting firm with expertise in the development of local affordable housing and community development strategies through Consolidated Plan processes.

As a requirement to the Consolidated Planning process, Eugene will update its Fair Housing Plan, also known as Analysis of Impediments to Fair Housing. This plan examines laws, demographics related to population, housing, and housing choice to ensure persons of a protected class have a choice in the location of their housing. Completion of the Consolidated Plan and Fair Housing Plan are prerequisites for receiving Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), and other HUD grants.

Staff will provide an update to Council during a Work Session on November 13.

Short-Term Rental Draft Code

The Working Group identified regulation of short-term rentals as a recommendation to protect the availability of rental properties in Eugene. In September, Council received an overview of short-term rental use in Eugene through platforms such as Airbnb, positive and negative effects of these rentals, and regulatory approaches from other cities. Council provided direction to develop draft code language for regulation of short-term rentals to include:

- License and renewal fees;
- Owner-occupancy requirements;
- Limitations to the number of days a unit can be rented;
- Permit revocation based on number of complaints per calendar year;
- Requirements for on-line platforms to assist in regulations; and
- Parking requirements.

Council will review the draft code language in December and provide further direction to staff.

FOR MORE INFORMATION

These little houses have been used throughout the HTS process and now serve to link initiatives to the goal of increasing housing affordability, availability, and diversity of type. These initiatives may be recommendations from the Working Group, existing projects or programs, or new approaches. By connecting programs, initiatives, plans, and projects we can begin to visually show the cumulative effect of these efforts. And, we can connect everything to



the same narrative—that housing affordability, availability, and diversity of type is a wicked problem that crosses many departments and work groups; solutions take time, process change, and thoughtful balancing of values; and that all these items can contribute to the goals within HTS.

The HTS team has committed to providing City Council with updates on progress on a quarterly basis. For more information and to keep up to date on progress, visit the HTS website at www.eugene-or.gov/housingtools. For questions, contact Allie Camp at acamp@eugene-or.gov.