



To: Mayor Lucy Vinis and City Council
From: Jennifer Knapp, Urban Design Planner
Date: October 31, 2020
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 updates on projects since our last update, in the [July 2020 HTS update](#).

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

Middle Housing Code Amendments (Implementation of HB 2001)

The Oregon State Legislature passed House Bill 2001 in June 2019, a law that is intended to provide more opportunities for a variety of housing types in traditionally single detached neighborhoods, and to increase the overall housing supply in and around cities. The new law requires that, no later than June 30, 2022, the City of Eugene must amend its land use regulations to allow the following.

- A duplex on each lot or parcel: that is located within city limits; that is zoned for residential use; and on which the City's land use regulations allows the construction of a single detached dwelling.
- Triplexes, quadplexes, cottage clusters, and townhouses in residential zones within the City that allow single detached dwellings.

In summer 2020, the Planning Commission approved the project's [Public Involvement Plan](#). Since then the project has launched its [Engage Eugene page](#) and has begun planning to hold a variety of

meetings including Local Partners and Boards and Commissions Roundtables, an Equity Roundtable, and a series of Healthy Democracy Planning Review Panels.

At the state level, the Department of Land Conservation and Development (DLCD) is still working to finalize the Model Code and Minimum Standards for compliance with the House Bill. Both will be finalized by December 2020. While we wait for state guidance, the first phase of the project will focus on establishing Guiding Values and Principles then, in early 2021, outreach will focus on draft code concepts. For more information on the project, visit the [project webpage](#) and [Engage Eugene](#) page.

Affordable Housing Trust Fund Advisory Committee

The Affordable Housing Trust Fund Advisory Committee (AHTF-AC) advises City staff on the allocation of Affordable Housing Trust Fund resources. The Trust Fund comprises an initial \$500,000 from the City's General Fund and revenue generated from the [Construction Excise Tax](#). The AHTF-AC met four times in June and July and identified their priority as the creation of affordable housing. Two members of the committee accompanied staff to the [July 27 Council work session](#). At that work session, Council passed a motion that directed the City Manager to allocate \$300,000 of the Affordable Housing Trust Fund resources for the creation of affordable housing, as recommended by the AHTF-AC (the development allocation), and \$500,000 for direct assistance to renters and homeowners that is to be released immediately through existing channels. The AHTF-AC met in September and October to discuss the Request for Proposals process and RFP criteria. The AHTF-AC will continue to discuss RFP criteria and the draft RFP in November and December, with a scheduled release of early 2021. Developers would have approximately 60 days to submit proposals. An evaluation committee will score the proposals in the Spring and provide scores to City Council to make the final decision for funding.

For more information, visit the [website](#).

Affordable Housing Trust Fund – Direct Assistance and Development Allocation

At the [July 27 Council work session](#), Council passed a motion that directed \$500,00 for direct assistance to renters and homeowners. DevNW received \$150,000 to provide homeowners with direct mortgage assistance to prevent foreclosure. Direct rent assistance in the amount of \$350,000 is in the process of being allocated through Lane County. Currently, Lane County is working with several agencies to spend down CVVRP (COVID-19 Rent Relief Program) and CARES Act (Coronavirus Aid, Relief, and Economic Security Act) rent assistance which must be spent by December 30, 2020. Lane County plans to disburse the AHTF rent assistance as soon as the CVVRP and CARES Act funds are expended.

Voluntary Inclusionary Zoning (V-IZ)

In 2016, the Oregon State Legislature passed [Senate Bill 1533](#), a law that is intended to provide more opportunities for a variety of housing types in traditionally single detached neighborhoods, and to increase the overall housing supply in and around cities. SB 1533 enabled Oregon jurisdictions to implement a limited form of inclusionary zoning (IZ) in their communities

through adoption of a local ordinance. There are multiple limitations built into the enabling legislation and the most significant restrictions include building type, affordability, incentives and the fee-in-lieu option.

At an [April 12, 2017 work session](#), Staff gave an introductory presentation on SB 1533 and was directed by Council to gather information on policy options for IZ and come back. Housing Policy Board spent a significant amount of time studying IZ across the country and in Portland, resulting in a recommendation to Council that the City not adopt a mandatory IZ but instead explore voluntary IZ (V-IZ) as an option. At an [April 17, 2019 work session](#), Staff reviewed the state's enabling legislation for IZ, use of the tool in Oregon and considerations for use of this tool in Eugene. Council requested Staff bring back answers to specific questions and a work session is scheduled for December 9, 2020.

Community Development Block Grant – Coronavirus Funds

The federal CARES Act included a special allocation of CDBG funding to help local communities respond to the impacts of coronavirus. This CDBG-CV funding is a separate grant from the entitlement CDBG grants received on an annual basis from HUD. The City of Eugene received a CDBG-CV entitlement allocation of \$839,940. The CDBG Advisory Committee reconvened in June and approved a draft allocation recommendation for identified uses. Identified uses include providing housing assistance, expanding homeless services, and fair housing as well as providing micro-enterprise training. On July 27, staff presented that recommendation to Council and it was approved. Staff have completed the Substantial Amendment to the 2020 Action Plan and are in the process of negotiating and executing related contracts.

The City was recently notified that we will receive another entitlement allocation from the federal CARES Act called CDBG-CV3 in the amount of \$1,016,237. In order to utilize these funds, Eugene must complete another allocation process to identify uses of funds and submit a second Substantial Amendment to our 2020 Action Plan. The CDBG Advisory Committee will be reconvened, and staff will present a draft allocation recommendation to Council. Visit the [website](#) for more information.

Renters Protections Committee

The Renters Protections Committee is a subcommittee of the [Housing Policy Board](#). They identified key priority ideas to be renter and landlord education and rent and deposit assistance and presented their recommendations to the Affordable Housing Trust Fund Advisory Committee in December 2019. A portion of CDBG-CV funds are supporting a tenant hotline, which is a direct result of the Renters Protections Committee work. The work of the Renters Protections Committee has paused. More information is available on the [website](#).

Renters Resources

Governor Kate Brown on Sept. 28, 2020 established a new moratorium preventing residential evictions for non-payment and other no-cause evictions between September 30

and December 31, 2020. In the first special session of this year, the Legislature passed House Bill 4213, establishing a residential and commercial eviction moratorium through September 30, 2020, with a six-month repayment period. The Governor's new executive order will help keep Oregonians in their homes until the Legislature can convene next year to address housing issues. Information on Housing Support related to coronavirus is available on the [website](#).

Mixed-Income Housing Development: 1059 Willamette Street

The City acquired 1059 Willamette in April 2020, using CDBG funds. The use of CDBG funds requires that at least 51% of the units are affordable to households at 80% of the Area Median Income.

The planned development is mixed-income housing, where 51% of the units meet the CDBG income requirements and the remaining 49% are available at any rent. For such a project to be financially feasible, some public funds will be required to fill a funding gap. City Council held a Public Hearing about potential funding sources for the project on September 21. On September 30, City Council voted to move forward with a Request for Proposals (RFP) process to identify a developer for the proposed project. Council and the Urban Renewal Agency Board also voted to make available in the RFP \$400,000 from the Multi-Unit Property Tax Exemption (MUPTE) moderate income housing fee and \$700,000 of Downtown Urban Renewal funds to financially support the project.

The City plans to release the RFP in November 2020. Developers will have approximately 60 days to respond to the RFP. An Evaluation Committee will score and rank submitted proposals. Staff will ask the public for feedback, and City Council will decide which proposal to select to develop the site. The City anticipates selecting a developer by March 2021. Visit the [website](#) for more information.

Affordable Housing Development: Iris Place

The City-owned property on River Road acquired through the Land Acquisition for Affordable Housing program was transferred to St. Vincent de Paul in July. Construction of the 53-unit development began in August 2020. The one, two- and three-bedroom apartments will be targeted to households earning no more than 50% of the Area Median Income. The development is anticipated to complete construction in November 2021.

LIRHPTE

City Council voted in May 2020 to extend the Low-Income Rental Housing Property Tax Exemption (LIRHPTE) program through June 30, 2030. The program was first adopted in 1990 and has been provided to 33 housing developments in Eugene. The LIRHPTE program has helped over 1,400 housing units achieve and maintain long term affordability. For the LIRHPTE program to be implemented, 51% of taxing districts must approve the program. In June, the Bethel School

District approved the LIRHPTE program through 2030. In September, the 4J School District also approved the program extension.

Consolidated Annual Performance and Evaluation and Report (CAPER) -2020

As a requirement for receiving US. Department of Housing and Urban Development (HUD) funds, the City is required to report annually on Affordable Housing and Community Development outcomes in the Consolidated Annual Performance and Evaluation Report (CAPER). This report measures the outcomes of activities undertaken as part of the annual Action Plan and overall progress towards meeting goals established in the Consolidated Plan. Staff are working on the 2020 CAPER, which will be the final report for the 5-year Eugene-Springfield 2015 Consolidated Plan. This report must be submitted to HUD by December 31, 2020.

Urban Reserves & Growth Monitoring

As part of Envision Eugene, City Council initiated projects and programs related to ensuring the City's long-term housing supply and ability to manage its growth, including establishing Urban Reserves, developing a Growth Monitoring program, and updating the City's needed housing (clear and objective) regulations.

Urban Reserves planning and the City's Growth Monitoring program are being closely coordinated. The state allows cities to designate Urban Reserve land outside the urban growth boundary (UGB) that can be considered a first priority if and when a city needs to expand its UGB for housing or other uses. The goal of Urban Reserve planning is to identify an appropriate supply of land for possible expansion, so the City is prepared to grow in a way that meets the community's needs and values. City Council recently directed staff to proceed with developing an adoption package for a 27-year Urban Reserve, which would reserve almost 6,000 acres of land for future growth needs, while preserving our highest-class farmland. Staff is meeting with the Lane County Board of Commissioners on November 10 for their direction.

A cross-department staff team have been developing a state-of-the-art Growth Monitoring Program. This will allow us to regularly check-in on actual development trends and adjust our growth strategies along the way, such as if we are developing our residential land quicker than we assumed and housing affordability. Over the past couple of years, staff have been focused on developing a data collection system and data graphic (charts, etc.) templates. On October 26, the Planning Commission received a high-level update on the program, watch the meeting webcast or view the meeting materials at the Planning Commission [meeting webpage](#).

Expansion of the UGB is a highly prescriptive process governed by state law that includes first looking at growth monitoring results to determine if there is a need to expand for housing or other uses, then considering measures to grow more compact inside the current boundary before expansion can be considered. If expansion is needed, Urban Reserve land will be the first areas considered.

Initiating the adoption process for Urban Reserves is anticipated for Spring of 2021, assuming consistent direction from City and County elected officials. The first growth monitoring report to Council is anticipated for later in 2021. Having Urban Reserves in place when monitoring results are considered will help determine whether more land is needed for housing, and if an urban growth boundary analysis should be initiated. This will include a new housing need assessment which is required by the State to be adopted by December of 2026.

For more information, go to www.eugene-or.gov/UrbanReserves or www.eugene-or.gov/GrowthMonitoring.

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.



For more information and to keep up to date on progress, visit the HTS website at www.eugene-or.gov/housingtools. For questions, contact Jennifer Knapp at JKnapp@eugene-or.gov.