



**To:** Mayor Lucy Vinis and City Council  
**From:** Jennifer Knapp, Urban Design Planner  
**Date:** January 29, 2021  
**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 [October 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**

#### **Affordable Housing Trust Fund Advisory Committee and Development Allocation**

The Affordable Housing Trust Fund Advisory Committee (AHTF-AC) advises City staff on the allocation of Affordable Housing Trust Fund resources. Council directed the City Manager to allocate \$300,000 of the Affordable Housing Trust Fund resources for the creation of affordable housing (the development allocation). The AHTF-AC met four times in the Fall of 2020 to discuss and finalize the Request for Proposals (RFP) criteria for the first development allocation. The 2021 AHTF RFP was released on January 26, 2021. Developers will 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. (The item is on the Council Tentative Agenda for May 24.) For more information, visit the [website](#).

## **Affordable Housing Trust Fund – Direct Assistance**

At the [July 27 Council work session](#), Council passed a motion that directed \$500,000 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 being distributed through Lane County with the following partner agencies: Catholic Community Services, Centro Latino Americano, ShelterCare, St. Vincent de Paul Lindholm Center, St. Vincent de Paul First Place Family Center, and The Relief Nursery.

## **Inclusionary Zoning (IZ)**

In 2016, the Oregon State Legislature passed [Senate Bill 1533](#), a law that is intended to provide more affordable housing options in multi-unit developments through market based forces. SB 1533 enabled Oregon jurisdictions to implement a limited form of mandatory 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 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. At a [December 9, 2020 work session](#), staff returned to council with specific answers to questions about IZ from the April 17, 2019 work session. At the work session, Council directed staff to provide an update in early 2021 on Housing Tools and Strategies to discuss housing affordability overall, progress made to date and expanded options for tools including voluntary inclusionary zoning. This direction was later amended to include information on mandatory IZ, as well as voluntary IZ. An updated on HTS is on Council's tentative agenda for 3/10.

## **Community Development Block Grant – Coronavirus Funds (CDBG-CV)**

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 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, the City 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 for the CDBG-CV3 allocation and the annual CDBG entitlement allocation process simultaneously, and staff will present a draft allocation recommendation to Council in the spring. Visit the [website](#) for more information.

### **Renters Protections Committee**

The Renters Protections Committee is a committee of the [Housing Policy Board](#). They identified key priority ideas to be renter/ landlord education and rent/ deposit assistance; and presented their recommendations to the Affordable Housing Trust Fund Advisory Committee in December 2019. In addition to direct mortgage and rent assistance made available through the Affordable Housing Trust Fund, a portion of CDBG-CV funds are supporting a [tenant hotline](#) and access to legal assistance to prevent homelessness. These resources are a direct result of the committee's work. The committee was paused for a time but started meeting again in January. More information is available on the [website](#).

### **Renters Resources**

There is a new statewide eviction moratorium ([HB 4401](#)) that will last until June 30, 2021. This means that, with limited exceptions, landlords cannot evict renters for nonpayment or without cause until July of 2021. 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 Community Development Block Grant (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/ 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 released a competitive Request for Proposals on November 19, 2020. Proposals are due February 2, 2021, after which 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, likely by April 2021. Visit the [website](#) for more information.

### **Affordable Housing Development: Iris Place**

The City-owned property on River Road acquired using CDBG funds 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. Council approved a Low-Income Rental Housing Property Tax Exemption (LIRHPTE) for the development in December 2020.

### **Expand Systems Development Charge (SDC) Assistance for Qualifying Affordable Housing**

The current SDC exemption program for low-income housing has a maximum exemption amount per year (capped amount), which does not cover local SDCs for one 50-unit development. Maintaining the capped amount for qualifying affordable units limits the number of affordable housing projects that have access to this financial assistance and the number of affordable housing units that would be produced. When an SDC is exempted, it minimizes the overall funds available for capital construction and preservation of citywide infrastructure. Raising the capped amount would reduce available funding to construct capital projects that serve new development and maintain existing infrastructure.

Four development projects requested SDC assistance in 2020 beyond the SDC exemption capped amount. On December 14, 2020, Council adopted a Supplemental Budget, which provided general funds to pay SDCs for low income housing developments including the Keystone, a 15-unit Permanent Supportive Housing (PSH) development by Homes for Good Housing Agency; 1100 Charnelton, a 45-unit PSH development by Homes for Good; Royal Community Land Trust, a 31-unit homeownership housing development by DevNW; and the Lucy, a 36-unit low-income rental housing development by Cornerstone Community Housing. The SDC assistance provided through the Supplemental Budget does not reduce available funding to construct capital projects in Eugene.

### **LIRHPTE**

Council, Bethel School District and 4J School District voted in 2020 to extend the Low-Income Rental Housing Property Tax Exemption (LIRHPTE) program through June 30, 2030. In addition to the Iris Place LIRHPTE (see above), Council approved two LIRHPTEs on January 11, 2021 for Hope Circle and Mary Skinner Apartments, existing affordable housing developments owned by St. Vincent de Paul. The LIRHPTEs will lower rents of these developments to increase housing stability for very low-income residents. Council will consider a partial LIRHPTE for Garfield Park, an existing St. Vincent de Paul development, on January 25, 2021.

### **2020 Consolidated Annual Performance and Evaluation and Report (CAPER)**

As a requirement for receiving U.S. 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 completed the 2020 CAPER, which is the final report for the 5-year Eugene-Springfield 2015 Consolidated Plan. This report was submitted to HUD on December 23, 2020 and is undergoing the review process. A copy of this report is available on the [website](#).

## **E-Build 2.0**

The City of Eugene’s Building Permit Services eBuild project team spent 2020 working on providing our inspectors with an updated tool to be used out in the field. This new tool, eBuild Inspections, went live in August and work will be finished this spring. eBuild Inspections is a modernization for inspectors which makes the field work more efficient. Our goal is to give our inspectors better connectivity out in the field so they will always have access to current approved drawings and better tools for communicating with contractors. Not only do these tools help our inspectors to be more nimble during the pandemic, but they will continue to add value as housing is built in our community.

## **River Road-Santa Clara Neighborhood Plan and River Road Corridor Study**

In late 2020, the Community Advisory Committee (CAC) reviewed a draft of the Neighborhood Plan document and discussed [neighborhood priorities](#) and [staff recommendations for phasing of land use code actions](#) based on staff capacity and resources. The River Road and Santa Clara community organizations have also been reviewing the neighborhood priorities and will discuss potential ways to move community-led actions forward. In December, the CAC moved to approve a set of Phase 1 land use code priorities to consider as part of the neighborhood plan adoption package. Next steps include developing draft code concepts and seeking input and direction from City and County decision-makers to begin drafting detailed code language for review and input as part of the [Adoption Phase](#).

In December, the River Road Corridor Study wrapped up work with the consultant team and submitted deliverables to the Federal Transit Administration, which included a summary of project work, outreach, and recommendations for land use code concepts and transportation improvements. The draft land use code concepts will continue to be refined as part of the neighborhood planning process to ensure alignment with the River Road-Santa Clara Neighborhood Plan, citywide policies and compliance with House Bill 2001.

For more information, visit the [project website](#) or sign up for the [project newsletter](#) for updates on next steps and opportunities for input.

## **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](http://www.eugene-or.gov/housingtools). For questions, contact Jennifer Knapp at [JKnapp@eugene-or.gov](mailto:JKnapp@eugene-or.gov).