



FY23 EUGENE SYSTEMS DEVELOPMENT CHARGE EXEMPTION REQUEST FOR PROPOSALS FOR INCOME-RESTRICTED RENTAL AND HOMEOWNERSHIP HOUSING

The City of Eugene invites proposals for the development or preservation of rental and homeownership housing affordable to low-income households. Resources offered through this Request for Proposals (RFP) include local Systems Development Charge (SDC) Exemptions.

The SDC exemptions can be used for rental housing targeted to households earning 60% of the area median income (AMI) or below; or for homeownership housing targeted to households earning 80% AMI or below. Permanent housing and transitional housing developments are eligible, not temporary or emergency shelter. Proposed projects must be located within the city limits of Eugene.

Proposals must be received by the application deadline and contain all required components to be eligible for review. This RFP is an open, competitive process to award available resources based on satisfaction of the described criteria. Submission of a proposal does not guarantee funding.

RESOURCES AVAILABLE

The total amount of SDC Exemptions available for Fiscal Year 2023 (FY23) is approximately \$762,000

- \$381,000 available for rental housing development category
- \$381,000 available for homeownership development category.

If the proposals awarded in one category do not use all the exemptions available for that category, the remaining SDC exemptions will be awarded in the other category.

FUNDING PRIORITIES

Applications will be prioritized by the following:

1. Proposals with the highest percentage of units serving the lowest income households in their category (rental or home ownership).
2. Proposals that provide more than 5% of units to be accessible for people with physical disabilities.
3. Proposals that commit to longer affordability periods than the minimum 5 years.
4. Proposals with the most units within their category (rental or home ownership).
5. Proposals provide housing affordable to low-income households in higher-income census tracks to support diverse housing opportunities

PROPOSAL SUBMISSION

Mail or deliver* one (1) copy of your proposal(s) to Laura Hammond at 99 W 10th Ave. Eugene, OR 97401 to be received by the due date, AND submit an electronic copy via email by **September 19, 2022 no later than 12:00 pm (noon)**.

Contact: Laura Hammond, Community Development Division of the City of Eugene
Phone: 541-682-5614 Email: LHammond@eugene-or.gov

*If the Atrium Building is closed, drop offs can be scheduled.

APPLICATION AND SELECTION PROCESS

The State of Oregon enabled local governments to exempt affordable housing developments from paying SDCs during the building permitting process. The City of Eugene SDC Exemption for Low-Income Housing was established in 1998 ([Eugene Code 7.725](#)). There is an annual cap on the amount of SDC exemptions available each fiscal year, which increases with inflation. All local SDCs are eligible to be exempted through the program, except regional wastewater fees (in most cases). Any unused exemptions within the capped amount roll over into the subsequent year. City Council may allocate additional resources for the program in a given year. For more information about City of Eugene SDCs please click [here](#).

The purpose of the RFP is to support the development of decent affordable rental and homeownership housing for low- and very low-income households in Eugene. The City will accept applications from public agencies, private/for-profit, and non-profit developers. Submission of a proposal does not guarantee funding. To be eligible for review, proposals must be received by the application deadline, contain all required components and propose using the resources for low-income housing. This RFP is an open, competitive process to award the resources based on satisfaction of the described criteria.

The proposal has an administrative review process that does not require City Council approval. All proposals will be reviewed by City staff, assessed and ranked. The final funding decision will be made by the Director of the Planning and Development Department. The selection process is expected to be completed by the dates below.

July 25, 2022	Request for Proposals Issued
September 19, 2022	Proposals Due
September 2022	Review of proposals
October 2022	Funding announced

AVAILABLE RESOURCES

This RFP is only to award City of Eugene SDC Exemptions and other SDC assistance. The resources available for FY23 are approximately \$762,000. The resources are split into two categories, rental development and homeownership development. If the proposals awarded in one category do not use all the exemptions available for that category, the remaining SDC exemptions will be awarded in the other category. If additional resources become available during the fiscal year, they will be awarded in order of application ranking.

PROGRAM REQUIREMENTS

The SDC exemptions can be used for rental housing targeted to households earning 60% of the area median income (AMI) or below; or for homeownership housing targeted to households earning 80% AMI or below, adjusted by household size. Applicants must certify through this RFP that they understand the current income limits for the proposed housing development category.

Housing Categories

Definitions of rental housing and homeownership housing are the following:

- **Rental housing** is a legal dwelling unit which is the subject of a rental agreement. A rental agreement is all written or oral agreements concerning the use and occupancy of a dwelling unit and premises. Rental agreement includes a lease.
- **Ownership housing** under this program is a legal dwelling unit owned or proposed to be owned by the occupant. This may include cooperative ownership.

The definitions of 60% and 80% AMI by household size are established by the US Department of Housing and Urban Development annually. The current income limits are the following:

2022 - HUD INCOME LIMITS – EUGENE/SPRINGFIELD, OREGON							
Persons in Household (#)	1	2	3	4	5	6	7
60% AMI – limit for renters	33,480	38,220	43,020	47,760	51,600	55,440	63,060
80% AMI – limit for homeowners	44,600	51,000	57,350	63,700	73,900	79,000	84,100

- Proposed projects must be located within the city limits of Eugene.
- Applicants must have site control of the property in order to be awarded resources.
- Proposed projects demonstrate readiness to start construction within 12 months from the date of approval
- Tentative approvals are awarded for a specific project proposal. The approval is null and void if the project changes significantly after it is selected through this RFP process. Significant changes include:
 - Reducing the number of units by 25% or more
 - Changing the proposed target population
 - Changing the location of the project
 - Changing the developers (main sponsors) of the project
- Tentative approvals are active for one year with the option to request an approval for one additional year.
- Temporary or emergency shelter, including congregate and non-congregate shelter facilities, are not eligible under the program.
- The compliance period is a minimum of 5 years, which means the City will monitor that income-eligible residents live in the development for a minimum of 5 years.
 - Residents’ incomes may rise while they are living in the property. The household is still in compliance with requirements as long as they were income-eligible when they first occupied the unit.
 - If the development is not occupied by income-eligible residents for the compliance period, the exemption amount would need to be repaid.

After a proposal is awarded, the process is as follows:

1. Selected proposals are provided a tentative approval letter for the development.
2. The selected developer enters into an Agreement with the City for the SDC Exemption to create the units proposed.
3. The approval letter is presented to City Permit Information Center staff during the building permitting process (before picking up building permits) to exempt the awarded amount from SDC fees.
4. After construction is complete and a certificate of occupancy is issued, the final calculation of SDC assistance is verified by City staff.

5. As the developer/owner verifies the incomes of residents prior to occupancy, they must submit income certification documentation for each resident to the City to ensure income eligibility. The income levels of the beneficiaries are verified and approved by the City.
 - a. If occupancy changes within the period of affordability, the next occupant must be income eligible and the occupants' income must be verified and approved by the City.
6. Developers/owners must sign a *Certificate of City of Eugene Systems Development Charge Exemptions for Low-Income Housing*, which will be recorded on the property at the Lane County Deeds and Records Office. This certificate ensures the development will continue its intended use (to be occupied by income-eligible households) for a **minimum of 5 years**.
7. Occupancy will be monitored each year to confirm the eligibility of occupants and ensure compliance.
8. The approval of the tentative SDC assistance will become final when the Certificate of SDC Exemptions is recorded and the compliance period is met.

DISCLAIMER/DECISIONS NOT TO FUND

The City of Eugene has developed this RFP and funding application with the intention of gathering information that is adequate to serve as a sound basis for decisions about funding allocations. As applications are reviewed it may become apparent that additional information is needed from one or all project applicants. In the event that something pertinent to all applications has been omitted from the application form, all who receive this RFP/application will be asked to provide supplemental information. Staff may also follow up with individual applicants to clarify information contained in their application/proposal, or to gather additional information. Applications deemed incomplete will not be reviewed.

The City of Eugene reserves the right to allocate resources to any, all, or none of the proposals/applications for resources received under this RFP. The City also reserves the right to provide funds with different financing terms to any or all projects funded, based on its determination of the severity of housing need among the populations that will be served, and on a project's financial need. The City may not allocate all available resources.

CONFIDENTIALITY

Information considered confidential under Oregon law may be separated for confidential handling, if specified "confidential" and delivered at the same time as the rest of the submittal. Public bidding laws require that, at the conclusion of the selection process, the contents of all proposals be placed in the public domain and be open to inspection by interested parties. Trade secrets or proprietary information that is recognized as such and protected by law may be withheld if clearly identified as such in the proposal prior to submittal.

CRITERIA FOR PROPOSAL EVALUATION

All proposals will be reviewed by a panel of City staff. Proposals will be evaluated for eligibility with the program, then ranked using the prioritization criteria below per development category. Proposals with the highest ranks in each category will be funded first, then if resources are remaining, the second highest ranked proposal would be funded and so on. Because the prioritization criteria will determine the rank of each proposal, a selected proposal will not be able to make significant changes and maintain its award. (See Program Requirements section for the definition of significant changes).

Proposals will be scored according to the prioritization criteria and ranked in order. In instances of tie scores, proposals will be compared against each other in order to determine which proposal uses the requested resources most efficiently and provides the greatest community benefit while meeting the City goals. The Director of the Planning and Development Department will make final funding decisions.

Proposals must meet the Program Requirements to be awarded. Applications will be prioritized by the following criteria within the rental housing and homeownership housing categories:

1. Proposals with the highest percentage of units serving the lowest income households in their category (rental or home ownership).
2. Proposals that commit to create more than 5% of units to be accessible to people with physical disabilities.
3. Proposals that commit to longer affordability periods than the minimum 5 years in increments of 5-year periods.
4. Proposals with the most units within their category (rental or home ownership).
5. Proposals provide housing affordable to low-income households in higher-income census tracts to support diverse housing opportunities

REQUIRED PROPOSAL COMPONENTS

Developers must submit the Application with all required attachments.



Application for Systems Development Charge (SDC) Exemption
(Rental and For Sale)

SECTION A – APPLICANT INFORMATION

1. Name:
Organization:
Address:
Telephone:
Email Address:

SECTION B – PROPERTY

2. Property Address:
Map and Tax Lot #:
Number of acres:
Property Owner:
3. Does the applicant have site control/ ownership of the property? Yes No
 - a. ***Please submit proof of ownership, or if not owner, proof of Applicant’s interest under a purchase contract as Attachment A.***
 - b. ***Please submit a complete legal property description as Attachment B.***

SECTION C – DEVELOPMENT

4. Please choose the category of SDC Exemption (see definitions in the RFP summary):
 Rental Housing
 Homeownership Housing
5. Amount of SDC Exemptions requested through this RFP (\$):
If more exemption for this project is needed than currently available, how much total SDC assistance is needed? (\$):

Please briefly describe the need below or submit documentation that shows the total need:

6. Please provide a brief overall summary of the proposed project. Please describe:
 - a. Location in the community including nearby facilities (schools, bus stops, commercial areas, parks, etc.)
 - b. Existing conditions on the site
 - c. Plan for development, including housing type (such as single unit or multi-unit)
 - d. Population served at the planned development

7. ***Please attach a map and site plan for the development as Attachment C.***

8. Portion of the property for which exemption is sought:

All

The following described portion: Overwrite this text with your answer

9. Did you determine the estimated Systems Development Charge (SDC) costs from consultation with a City Permit Information Center (PIC) engineer*? Yes No

a. ***If yes, please submit the estimate of SDCs as Attachment D.***

b. If no, please explain:

**For more information about Eugene SDCs and for the PIC contact information click [here](#).*

10. Describe the following information which helps to determine the calculation of SDCs:

a. Total Square Footage of existing impervious surface on the site:

b. Total Square Footage of impervious surface planned:

c. Total Square Footage of existing heated space on the site:

d. Total Square Footage of heated space planned: (the hallways included, garage or unheated storage not included)

e. Describe the plan for handling storm water on the property.

11. What is the total development cost for the proposed project?

12. What are the sources of financing for the project construction?

Please submit any documentation of project funding commitments as Attachment E.

13. What is the expected construction schedule? Please describe:

- a. Timeline for securing project financing.
- b. Anticipated construction start date.
- c. Anticipated construction completion date.

14. Total number of units proposed by bedroom size:

Number of Bedrooms	Number of units at that size (#)	Percentage of Total units in the proposed development
0-BR/ studio/ SRO		
1-BR		
2-BR		
3-BR		
4-BR		
5-BR		
TOTAL		

15. Please indicate the household income levels for the proposed development as a percentage of area median income (AMI) (current income limits are in the Certification on the last page of this application):

Income Level (AMI)	Number of Units at that Income Level (#)	Percentage of Total Units in the proposed development
0-30%		
31-50%		
51-60%		
61-80%		
Unrestricted		
TOTAL		

16. Please describe the proposed rent price or sales price per unit.

17. How many years will the development commit to income restricted occupancy and affordable payments (the minimum required by the program is 5 years)?

18. How many of the units will be accessible to persons with physical disabilities?

Does the total represent more than the minimum 5% of the total units in the development? Yes No

ATTACHMENTS

<input type="checkbox"/> A. Proof of ownership or if not owner, proof of Applicant's interest under a purchase contract.
<input type="checkbox"/> B. Complete legal property description
<input type="checkbox"/> C. Map and Site Plan for the proposed development
<input type="checkbox"/> D. Estimate of total Systems Development Charges
<input type="checkbox"/> E. Documentation of project funding commitments (if applicable)

Acknowledgment and Agreement

The undersigned specifically acknowledge(s) and agree(s) that:

1. I (We) understand that by accepting this application and documents for an SDC exemption, the City is in no way committing actual funding or exemptions for my project. Commitment of an exemption will only be made if funds are available, after all documentation is received and city staff have reviewed my request.
2. In the event the property for which an exemption is granted ceases to be utilized for housing for low-income persons or is sold or transferred for use other than housing for low-income persons within five years from the date the certificate of exemption is recorded and eligible persons reside in the property, the person or entity to whom the exemption was granted shall be required to pay to the city the amount of the exempted systems development charges, plus interest at the statutory rate for interest on a judgment from the date the certificate was recorded;
3. I (We) understand that income documentation verifying the low-income status must be submitted to the City when the unit or units are occupied by income eligible persons.
4. Upon award of the SDC exemption, an Agreement will be executed outlining the program requirements. After issuance of the certificate of occupancy when income-eligible persons begin to occupy the units, the city shall record the certificate of exemption documenting the date and amount of the exemption with the Lane County Recorder's office;
5. All statements made in this application are true and accurate, and are made for the purpose of obtaining the exemption indicated herein;
6. Verification or re-verification of any information contained in this application or in the income documentation may be made at any time by the City of Eugene, its agents, successors and assigns, either directly or through a credit reporting agency, from any source named in this application, and the original copy of this application will be retained by the City;
7. The City, its agents, successors and assigns will rely on the information contained in this application and the information I/We have represented herein; if any information should change prior to obtaining a certificate of occupancy, I (We) will notify the City.

Certification

I (we) certify that the information provided in this application is true and correct as of the date set forth opposite my (our) signature(s) on this application, and acknowledge my (our) understanding that any intentional or negligent misrepresentation of the information contained in the application may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq. and liability for monetary damages to the City, its agents, successors and assigns, insurers and any other person who may suffer any loss due to reliance upon any misrepresentation which I (we) have made on this application.

Notice of Financial Privacy

I (we) understand this is notice as required by the Right To Financial Privacy Act of 1978 that the City has right of access to financial records held by any financial institution in connection with the consideration or administration of the assistance for which I (we) have applied. Financial records involving transactions will be available to the City without further notice or authorization but will not be disclosed or released to another government agency or department without my (our) consent except as required or permitted by law. Verification of Deposit and/or Verification of Mortgage forms may also be required.

Consent of Disclosure

Pursuant to Public Law 93-579 (the Privacy Act of 1974), I (we) have made the attached disclosures freely and voluntarily and with full knowledge that any and all information given to the City of Eugene shall be used solely for the purpose of determining my (our) eligibility under the SDC Exemption Program. I (we) hereby consent to the disclosure to the City of Eugene by the sources, persons, and/or entities of any information pertaining to me (us) which appears in my (our) application for assistance under the SDC Exemption Loan Program, for the sole purpose of processing my (our) application for assistance. By this consent, I (we) shall hold the City of Eugene harmless for any liability that it may incur as a result of any disclosure made within the bounds of my (our) consent and authorization.

DATED this _____ day of _____, 20_____.

Print Name of Applicant

Signature of Applicant or Authorized Representative of Applicant

Name and Title of Authorized Representative

CERTIFICATION OF INCOME LEVELS OF LOW-INCOME OCCUPANTS

**Area Median Income for Eugene, Oregon
These figures are updated annually by HUD**

2022 - HUD INCOME LIMITS – EUGENE/SPRINGFIELD, OREGON							
Persons in Household (#)	1	2	3	4	5	6	7
30% AMI	\$16,750	\$19,150	\$21,550	\$23,900	\$25,850	\$27,750	\$29,650
50% AMI	\$27,900	\$31,850	\$35,850	\$39,800	\$43,000	\$46,200	\$49,400
60% AMI – limit for renters	\$33,480	\$38,220	\$43,020	\$47,760	\$51,600	\$55,440	\$59,280
80% AMI – limit for homeowners	\$44,600	\$51,000	\$57,350	\$63,700	\$68,800	\$73,900	\$79,000

I hereby certify that the units for which this exemption is sought are not occupied by, nor will they be offered to persons whose incomes exceed the levels reflected above for low-income persons.

DATED this _____ day of _____, 20_____

Print Name of Applicant _____

Signature of Applicant _____