



Eugene City Council

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EUGENE CITY COUNCIL AGENDA

July 27, 2020

5:30 p.m. CITY COUNCIL WORK SESSION

Due to Governor Brown's Stay Home, Save Lives Executive Order to combat the spread of Covid-19, this meeting will be held remotely using virtual meeting technology. Information about online or other options for access and participation will be available at <https://www.eugene-or.gov/3360/Webcasts-and-Meeting-Materials>

**Meeting of July 27, 2020;
Her Honor Mayor Lucy Vinis Presiding**

Councilors

Emily Semple, President
Mike Clark
Chris Pryor
Betty Taylor

Jennifer Yeh, Vice President
Greg Evans
Claire Syrett
Alan Zelenka

5:30 p.m. CITY COUNCIL WORK SESSION

- 1. WORK SESSION and POSSIBLE ACTION: Substantial Amendment to the Eugene-Springfield 2020 Action Plan – CDBG-CV Fund Allocation**
- 2. WORK SESSION: Proposed Use of Affordable Housing Trust Fund Resources**
- 3. WORK SESSION and POSSIBLE ACTION: Library Local Option Levy Resolution Adoption**

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El consejo de la Ciudad de Eugene agradece su interés en estos asuntos de la agenda. El lugar de la reunión tiene acceso para sillas de ruedas. Se puede proveer a un intérprete para las personas con discapacidad auditiva si avisa con 48 horas de anticipación. También se puede proveer interpretación para español si avisa con 48 horas de anticipación. Para reservar estos servicios llame al 541-682-5010. Las reuniones del consejo de la ciudad se transmiten en vivo por Metro Television, Canal 21 de Comcast y son retransmitidas durante la semana.

For more information, contact the Council Coordinator at 541-682-5010
or visit us online at www.eugene-or.gov.

EUGENE CITY COUNCIL AGENDA ITEM SUMMARY



Work Session: Substantial Amendment to the Eugene-Springfield 2020 Action Plan – CDBG-CV Fund Allocation

Meeting Date: July 27, 2020
Department: Planning and Development
www.eugene-or.gov

Agenda Item Number: 1
Staff Contact: Stephanie Jennings
Contact Telephone Number: 541-682-5529

ISSUE STATEMENT

The federal CARES Act (Coronavirus Aid, Relief, and Economic Security Act) included a special allocation of CDBG (Community Development Block Grant) funding to help local communities respond to the impacts of coronavirus. The City of Eugene will receive a CDBG-CV entitlement allocation of \$839,940. Council is asked to approve the proposed allocation for use of CDBG-CV funds to support community recovery.

BACKGROUND

The federal CARES Act (Coronavirus Aid, Relief, and Economic Security 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 will receive a CDBG-CV entitlement allocation of \$839,940. In order to utilize these funds, Eugene must complete an allocation process to identify uses of funds and submit a Substantial Amendment to our 2020 Action Plan adopted by Council in April.

CDBG-CV Allocation and Substantial Amendment Process

Similar to the typical CDBG allocation process, City staff worked with the CDBG Advisory Committee over the course of three meetings to consider possible uses of funds, hold a public hearing, and make an allocation recommendation. The final steps are for Council to adopt an allocation for use of the CDBG-CV funds, which will be submitted to HUD as a Substantial Amendment to the 2020 Action Plan. Following HUD approval, staff will commence implementation of the proposed activities.

Below is a brief summary of the three CDBG Advisory Committee meetings.

- CDBG AC Meeting #1 - During the first meeting held on June 17, staff provided an overview of the CDBG-CV requirements, discussed identified needs and possible uses of funds.
- CDBG AC Meeting #2 - During the second meeting staff presented a draft allocation and discussed proposed uses of funds with the committee. This meeting took place on June 25th. During this meeting, the committee unanimously voted for the draft allocation as presented. Following the second meeting, the City issued a 5-day public comment period on the proposed allocation that ends on July 7th. One written comment was received.

July 27, 2020 Work Session – Item 1

- CDBG AC Meeting #3 - The third and final meeting of the committee took place on July 8th. During the final meeting, the committee held a public hearing and made a final allocation recommendation to staff. Two individuals testified at the public hearing encouraging use of CDBG-CV resources for direct rent assistance. The CDBG AC voted unanimously to recommend the proposal presented by staff with one modification. The proposed allocation described below includes the CDBG AC's modification which adds direct rent assistance as a possible use of funds along with homelessness prevention and other forms of housing assistance under the first allocation category.

Allowed Uses of CDBG-CV Funds

While there are many of the same requirements for the use of CDBG-CV dollars in comparison to CDBG dollars, there are several important differences. Typically, uses of CDBG funds must be aligned with the goals and strategies identified in the Eugene-Springfield Consolidated Plan, meet a CDBG National Objective, and be an eligible use of funds. CDBG-CV funds must meet all these requirements but also must have a nexus with the impact of coronavirus. HUD guidance regulating use of these funds is still emerging and may have an impact on proposed uses.

Proposed Allocation for Use of CDBG-CV Funds

Over the past two months, staff have gathered information regarding COVID-related community needs and potential uses of funds through the final stages of the Consolidated Plan development process, recent intergovernmental meetings with the Housing Policy Board and Human Services Commission, and conversations with service providers and community members. Staff also utilized information gathered through the community recovery (ESF-14) work of the City's Emergency Operations Center.

- While this is a rapidly changing environment, it is clear that COVID-19 has created significant interruptions in household financial stability and housing stability for Eugene residents. These challenges have been more significant for people with low incomes and people of color. In addition, COVID-19 has had significant impacts on people experiencing homelessness as well as the congregate shelter system. The proposed allocation includes four proposed investments to help address these challenges related to COVID-19. A small portion of CDBG-CV (less than 5%) are needed for administration costs such as the allocation process, program development and coordination, contract development and administration, monitoring, and reporting. The proposed amount allocation is less than five percent of available funding. These proposed uses are also intended to compliment and leverage other recovery and assistance resources coming to our community.
- Access to Housing Assistance / Homelessness Prevention / Direct Rent Assistance – Many working households have experienced income losses that impact their housing stability and place them at risk of homelessness. While significant state funding has been allocated for rent assistance payments, companion funding is needed to increase human service agency capacity to provide housing navigation, case management, and referrals to achieve housing stability. A portion of these funds will be used to expand access for marginalized populations and also expand renter hotline services. These funds may also be used for direct rent assistance if needed and HUD regulations permit use of funds for this purpose.

- Expand Homeless Services – Eugene’s emergency shelter and day access centers have made many changes in response to social distancing requirements. These changes have reduced the capacity of some facilities and also required increased staffing supports. These resources would help address and expand services and emergency housing options for people experiencing homelessness.
- Expand Fair Housing Services for Protected Classes – Members of protected classes under fair housing law have experienced disproportionate impacts related to COVID-19 and on federally protected classes. These resources could be used for additional fair housing training, outreach, and fair housing services for members of protected classes.
- Microenterprise Training – Many people have a need or interest to explore self-employment and microenterprise opportunities in the current environment. This funding would enable more people to access microenterprise training. A portion of this funding would be directed to assistance for culturally appropriate microenterprise training for marginalized communities.

Next Steps

Action by Eugene City Council to allocate use of CDBG-CV funds will enable staff to move forward with submittal of a Substantial Amendment to the 2020 Action Plan to HUD. Following HUD approval, staff will commence project implementation.

PREVIOUS COUNCIL DIRECTION

[April 27 City Council Work Session](#)

COUNCIL OPTIONS

1. Approve the proposed allocation for use of CDBG-CV funds as shown in Exhibit B.
2. Modify or amend the proposed allocation for use of CDBG-CV funds.

CITY MANAGER’S RECOMMENDATION

The City Manager recommends Option 1, approve the proposed allocation for use of CDBG-CV funds as shown in Exhibit B.

SUGGESTED MOTION

Move to approve the proposed allocation for use of CDBG-CV funds as shown in Exhibit B.

ATTACHMENTS

- A. Eugene-Springfield Consolidated Plan Priority Needs and Strategies
- B. Proposed Allocation of CDBG-CV funds
- C. CDBG Advisory Committee Members

FOR MORE INFORMATION

Staff Contact: Stephanie Jennings, Community Development
Telephone: (541)682-5529
Staff E-Mail: sjennings@eugene-or.gov



Eugene–Springfield 2020 Consolidated Plan

EXECUTIVE SUMMARY

FIVE-YEAR STRATEGIC PLAN for Housing and Community Development



CITY OF EUGENE
eugene-or.gov/hudconplan



CITY OF SPRINGFIELD
springfield-or.gov



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2020 CONSOLIDATED PLAN
 for Housing & Community Development

Priority Needs

Priority Need	Explanation	Comments
Renters Low- and very low-income people need increased access to quality affordable rental housing as well as rental assistance	<ul style="list-style-type: none"> About three quarters of moderate- and low-income renters spend more than 30% of their income on housing costs (Eugene – 79%, Springfield – 74%) The majority of low-income renters spend more than 50% of their income on housing costs (Eugene – 68%, Springfield – 57%) 	<ul style="list-style-type: none"> Between 2010 and 2019, the median rental rate rose to \$1,373 in Eugene (47% increase) and \$1,181 in Springfield (58% increase) Significant increase in need from 2013 to 2017; <ul style="list-style-type: none"> Many more moderate-income households spend more than 30% on housing Many more low- and very income households spend more than 50% on housing
Homeowners Low- and very low-income people need increased access to affordable homeownership opportunities and support to remain homeowners	<ul style="list-style-type: none"> A significant majority of low-income owners experience over-crowding, substandard housing, or a housing cost burden (Eugene – 78%, Springfield – 59%) A significant majority of moderate- and low-income owners spend more than 30% of their income on housing costs (Eugene – 66%, Springfield – 57%) A large percentage of low-income owners spend more than 50% of their income on housing costs (Eugene – 59%, Springfield – 39%) 	<ul style="list-style-type: none"> Low-income households spending more than 30% of income housing have increased in Eugene but remains steady in Springfield Low-income households spending more than 50% of income housing have increased in both Eugene and Springfield.



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Priority Need	Explanation	Comments
People experiencing Homelessness People need access to housing and supportive services to prevent them from becoming homeless and to leave homelessness	<ul style="list-style-type: none"> A total of 2,165 homeless individuals were served in FY 2019 by agencies funded by Lane County The three public school districts in Eugene and Springfield report 1,629 homeless youth during 2019 (includes students who are staying with friends or family) The definition of homeless for purposes of this Plan includes people who are “doubled-up” Shortage of year-round low-barrier emergency shelter beds, especially for single individuals and victims of Domestic Violence Lack of diversion and rapid exit services for those exiting Permanent Housing 	<ul style="list-style-type: none"> Majority of the homeless population in Eugene (73%) and Springfield (88%) are experiencing unsheltered homelessness. <ul style="list-style-type: none"> Shortage of low-barrier year-round emergency shelter and shelter beds in Eugene and Springfield In 2017, one in four persons exiting permanent housing in Lane County returned to homelessness There are no youth-specific resources for transition-age youth (18-24) Due to low rental vacancy (3.6% in Eugene and 3.4% in Springfield) and even lower affordable unit rental vacancy, the Lane County Continuum of Care struggles with voucher or tenant-based programs
Non-Homeless Special Needs Populations Special needs populations need additional support as it relates to affordable housing, human services, and employment opportunities	<ul style="list-style-type: none"> People with special needs including families with children, seniors, ex-offenders, people with HIV/AIDS, victims of domestic violence, people with drug and alcohol addictions, people who are evicted or foreclosed, people with physical and mental disabilities, veterans, youth, and youth aging out of foster care 	<ul style="list-style-type: none"> There were 32,438 elderly (over the age of 65) and 3,310 frail elderly (that need assistance with daily living) in Eugene-Springfield (2017 ACS) The disability rate is 13.5 percent in Eugene and 18.6 percent in Springfield Physical disabilities can include hearing, vision, cognitive, ambulatory, self-care or independent living difficulties In the Community Survey, respondents identified <i>mental health and addiction services</i> and <i>housing services</i> as the greatest social service needs. Respondents also identified <i>assist human service agencies with facilities acquisition or improvements</i> as the most needed Community Development Need



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Priority Need	Explanation	Comments
Employment Opportunities People who have low incomes, are unemployed or underemployed need a broader range of employment opportunities, including self-employment	<ul style="list-style-type: none"> • Job growth and low unemployment rates has not yielded better wages for many younger residents and workers lacking necessary skills • The new workforce of youth 16-24 years old accounts for 38% of the workforce • Current low unemployment rates and retirements in workforce has created demand for skilled workers in some industries 	<ul style="list-style-type: none"> • The United Way ALICE report found that 58% of all jobs in Oregon are low-wage (less than \$20/hour), with contract positions (non0benefited) increasing, a factor in job and housing insecurity • There is a need to increase high-wage and living wage career employment opportunities for youth • Lower wages are exacerbating housing affordability for some workers
Low-Income Areas & Areas of Slums and Blight Geographic areas that meet federal criteria as areas of slums and blight or as low-income areas and need additional support for rehabilitation and public improvements	<ul style="list-style-type: none"> • There are several areas in this community that are or could meet the HUD requirement for an area of slums and blight which would allow different uses of CDBG funds. These areas could benefit from increased investments in the area • There are several areas of this community that are characterized by 51% or more low- to moderate-income residents, which can benefit from increased investments in this area 	<ul style="list-style-type: none"> • Need to support low- and moderate- income neighborhoods through public improvements such as infrastructure and public facilities • Low-Income Areas have been mapped for both jurisdictions • Support currently designated slum/blight areas



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2020 CONSOLIDATED PLAN
 for Housing & Community Development

Affordable Housing Strategy

Strategy/Goal	Priority Needs Addressed	Possible Examples	Measurements	HOME Consortium	Eugene CDBG	Springfield CDBG
Increase the supply of affordable housing (HOME and CDBG)	Renters, Homeowners, Homeless, Special Needs	Land Acquisition. Development of new rental housing. Operating Support for Community Housing Development Organizations.	Number of housing units constructed, reconstructed, acquired or preserved	400	5	5
			Number of CHDOs assisted	3		
			Housing for homeless added	100		
			Number of sites acquired		2	2
Rehabilitate existing housing stock affordable to low-income persons (CDBG)	Renters, Homeless, Special Needs, Low-Income Areas, Homeowners	Continue and expand publicly supported rehabilitation and accessibility improvements.	Number of rental units rehabilitated		350	5
			Number of homeowner units rehabilitated		150	300
Provide down payment assistance for homeownership (CDBG)	Homeowners	Assist low-income residents with the first-time purchase of a home.	Households assisted with direct assistance to home buyers		20	20
Provide rental assistance for housing stability and homelessness prevention (HOME)	Renters	Assist low-income residents to remain in stable housing.	Households provided rental assistance	20		
Remove barriers to affordable and supportive housing (CDBG)	Renters, Homeowners, Homeless, Low-Income Area Non-Homeless Special Needs	Support programs that assure housing opportunities are provided without discrimination. Support Housing Policy Board. Update Fair Housing Plan.	Maintain Housing Policy board		✓	
			Number of fair housing events		20	
			Maintain fair housing services		✓	✓
			Update Fair Housing Plan		✓	✓



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Community Development Strategy

Strategy	Priority Needs Addressed	Possible Examples	Measurements	Eugene CDBG	Springfield CDBG
Support a human services delivery system to address the needs of homeless persons, special needs, and other low-income populations (CDBG)	Homeless, Special Needs	Fund capital improvements to facilities owned by non-profits. Fund non-profit services through the Human Services Commission. Fund job training. Fund housing stability counseling and assistance.	Persons assisted with public facility activities	20,000	5,000
			Persons assisted with public service activities	100,000	60,000
			Number of public facilities improved	5	2
			Number of transitional or emergency beds added	20	5
Promote economic development and employment opportunities through the creation of jobs and business development (CDBG)	Employment Opportunities	Provide below market financing to local businesses creating or retaining jobs. Provide micro-enterprise training, and development opportunities.	Jobs created or retained	150	5
			Businesses assisted	25	1
			Micro business trainees	150	5
Make strategic investments to improve low-income neighborhoods and other areas of slums and blight (CDBG)	Renters, Owners, Homeless, Special Needs, Low-Income Areas and Slums & Blight, Employment Opportunities	Provide financing for activities which eliminate slums and blight, including acquisition, clearance, rehab and historic preservation and economic development activities, infrastructure and public facility improvements.	Businesses assisted with façade treatment or building rehab		1
			Number of projects completed	2	2
			Persons assisted with public improvement activity	5,000	5,000

Draft Eugene CDBG - CV Funding Allocation Summary HUD Program Year 2020

Source of Funding

PY 2020 CDBG-CV Entitlement Grant #1 – PY 2020	\$ 839,940
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Uses of Funding

Support Human Services

Access to Housing Assistance / Homelessness Prevention / Direct Rent Assistance	\$ 420,000
Homeless Services related to COVID-19	\$ 300,000

Create Jobs for Low-Income People

Microenterprise Training	\$ 30,000
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Access to Fair Housing and CDBG-CV Program Administration

Access to Fair Housing for Protected Classes	\$ 50,000
CDBG-CV Program Administration	\$ 39,940

Total Uses	\$ 839,940
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Community Development Block Grant Advisory Committee

Purpose: The Community Development Block Grant Advisory Committee advises the Planning and Development Department on the proposed use of CDBG funds. The committee is comprised of nine members with interests and backgrounds in understanding the needs of low-income persons and special needs populations, human services, affordable housing, real estate development, and program management.

Members

Julia Boss
Ibrahim Coulibaly
Phil Farrington
Rick Guerra
Chris Ramey (Chair)
Brett Rowlett
Kennedy Sparrow
Jennifer Webster
Michael Weinerman

EUGENE CITY COUNCIL AGENDA ITEM SUMMARY



Work Session: Proposed Use of Affordable Housing Trust Fund Resources

Meeting Date: July 27, 2020
Department: Planning and Development
www.eugene-or.gov

Agenda Item Number: 2
Staff Contact: Michael Kinnison
Contact Telephone Number: 541-682-5500

ISSUE STATEMENT

Eugene City Council and State Legislature both recognize traditional funding sources for affordable housing—especially federal sources—have declined over time. The reduction in resources available for affordable housing has challenged our community's ability to meet the housing needs of Eugene residents with limited incomes. To help address this issue, Eugene City Council passed Ordinance No. 20609 (Attachment A) in April 2019 implementing a local construction excise tax that will contribute to an Affordable Housing Trust Fund (AHTF). The ordinance went into effect on July 1, 2019. Eugene City Council also dedicated \$500,000 in General Fund dollars through a supplemental budget in December 2019.

During this work session, staff will present a recommended allocation from the Affordable Housing Trust Fund Advisory Committee. For the current cycle, a total of \$800,000 in AHTF resources are available for allocation.

BACKGROUND

In 2016, Oregon Legislature passed Senate Bill 1533 authorizing Oregon cities and counties to establish a construction excise tax. The law authorizes a city or county to tax new residential and commercial buildings, additions, and alterations. A CET is a one-time tax imposed on new construction where an established tax rate (percentage) is multiplied by the permit valuation of the construction permit. The CET is assessed at the time building permits are issued.

On April 8, 2019, Council passed an ordinance establishing a local CET (Attachment A). From July 1, 2019, through June 30, 2020, residential and commercial projects will be taxed at .33 percent of the permitted value of eligible improvements. Beginning July 1, 2020, and thereafter, the tax increases to .50 percent. During the first two years, CET charges will be offset by a reduction in System Development Charges and permit fees so that additional costs are not added to improvements subject to the tax. The revenue generated through the CET will accrue in the City's Affordable Housing Trust Fund to support programs, incentives and services related to the housing of households earning 100 percent of area medium income and below. In addition, the City intended to designate \$500,000 per year of City funds to the Affordable Housing Trust Fund. A fact sheet regarding the tax and its implementation is included as Attachment B.

On July 24, 2019, Council held a work session to discuss implementation of the AHTF including a proposed timeline, advisory committee structure, and potential uses for AHTF resources. During this work session, a motion passed directing that the vast majority of funds be used for direct assistance to renters and homebuyers.

In October, the City Manager selected nine community residents, representing diverse perspectives and stakeholders, to participate in the AHTF Advisory Committee (Attachment C). Five meetings occurred between October and February. Staff presented allocation options to Council for feedback on April 15 that included funding for renter counseling and assistance, foreclosure counseling and assistance and operating support/rental assistance for existing affordable housing developments. At that time, staff requested additional time to continue working with the Committee to finalize a recommendation on use of the funds. The Committee met an additional three times and voted unanimously on July 14 to recommend allocating all of the \$800,000 to projects that create or retain affordable housing in FY 21.

The Committee acknowledges their allocation recommendation varies from Council's direction from July 2019 and has written a memo to the City Manager, clarifying their vision and providing context and rationale for their recommendation (Attachment D).

Staff are continuing to work through how to administer this program as efficiently as possible in order to maximize impact of the AHTF. It is anticipated that some administrative costs will be charged to the AHTF to cover program implementation.

NEXT STEPS

Should Council reaffirm its previous policy direction staff will continue to engage the Committee in developing a specific allocation consistent with that direction and return with a recommendation as soon as possible after break. To assist with this work, there is a need for additional clarification on the intent of the motion that will be discussed at the work session.

If Council approves an allocation consistent with the current recommendation of the Committee, staff will work with the Committee to develop a RFP process and criteria (September-November 2020), conduct an RFP process (January-March 2021) and review and recommend proposals for funding (April 2021). Recommended proposals will be presented to Council for action by May of 2021.

PREVIOUS COUNCIL DIRECTION

[April 12, 2017 Work Session](#) - City Council received an introductory presentation on SB 1533 and directed staff to pursue development of policy options for a CET in collaboration with HPB.

[December 13, 2017 Work Session](#) – City Council reviewed a set of recommendations from the HPB for implementation of a CET. Council directed staff to continue engaging community stakeholders on implementation of a CET.

[April 9, 2018 Work Session](#) – City Council continued discussion of options for a CET and directed staff to return with a process for council consideration that would identify existing barriers to housing affordability, availability and diversity of type.

[January 14, 2019 Council Meeting](#) – City Council directed staff to create a draft CET ordinance and to schedule a public hearing.

[February 19, 2019 Public Hearing](#) – Thirty-four people testified at the public hearing on an ordinance imposing a CET on residential and commercial improvements.

[April 8, 2019 Council Meeting](#) – City Council adopted an Ordinance Concerning Imposition of a Construction Excise Tax on Commercial and Residential Improvements.

[July 24, 2019 Work Session](#) – City Council discussed next steps for AHTF implementation and passed the following motion on a 4-3 vote:

Councilor Zelenka, seconded by Councilor Clark, moved that the vast majority of the CET funds be used on direct assistance to renters and homebuyers with at least 15 percent of the residential CET revenue set aside for down payment assistance.

[April 15, 2020 Work Session](#) – City Council reviewed allocation options. Staff requested additional time to work with the committee.

COUNCIL OPTIONS

1. Direct the City Manager to continue working with the Affordable Housing Trust Fund Advisory Committee and return to Council with a specific allocation recommendation consistent with previous policy direction.
2. Approve an allocation of Affordable Housing Trust Fund resources as recommended by the Affordable Housing Trust Fund Advisory Committee and outlined in Attachment D.
3. Take no action.

CITY MANAGER'S RECOMMENDATION

Previous direction from City Council was to use the vast majority of CET funds for direct assistance to renters and homebuyers. Given that Council direction, Option 1 stands as the City Manager's recommendation.

Given the consensus recommendation by the Affordable Housing Trust Fund Advisory Committee, an alternative option and motion is included should Council choose to change their previous policy direction. The alternative option and motion are consistent with the Committee's recommendation to maintain flexibility with the funds and use them for the creation and retention of affordable housing.

POSSIBLE MOTIONS

1. Move to direct the City Manager to continue working with the Affordable Housing Trust Fund Advisory Committee to return to Council with a specific allocation recommendation that uses the vast majority of CET funds for direct assistance to renters and homebuyers.
2. Move to direct the City Manager to allocate Affordable Housing Trust Fund resources as recommended by the Affordable Housing Trust Fund Advisory Committee and outlined in Attachment D.

ATTACHMENTS

- A. Ordinance No. 20609
- B. Eugene Construction Excise Tax Overview and Frequently Asked Questions
- C. Affordable Housing Trust Fund Advisory Committee Members
- D. Memo to City Manager from Affordable Housing Trust Fund Advisory Committee

FOR MORE INFORMATION

Staff Contact: Michael Kinnison, Community Development Division
Telephone: 541-682-5500
Staff E-Mail: MKinnison@eugene-or.gov

ORDINANCE NO. 20609

AN ORDINANCE CONCERNING IMPOSITION OF A CONSTRUCTION EXCISE TAX ON COMMERCIAL AND RESIDENTIAL IMPROVEMENTS AND ADDING SECTIONS 3.730, 3.732, 3.734, 3.736, 3.738, 3.740, 3.742, 3.744, 3.746 AND 3.748 TO THE EUGENE CODE, 1971.

THE CITY OF EUGENE DOES ORDAIN AS FOLLOWS:

Section 1. Sections 3.730, 3.732, 3.734, 3.736, 3.738, 3.740, 3.742, 3.744, 3.746 and 3.748 of the Eugene Code, 1971, are added to provide as follows:

Construction Excise Tax

3.730 Construction Excise Tax - Definitions. The following words and phrases as used in 3.732, 3.734, 3.736, 3.738, 3.740, 3.742, 3.744, 3.746 and 3.748 of this code shall have the following meanings:

Area median income. Lane County median household income by household size as defined by the United States Department of Housing and Urban Development and published periodically.

City Manager. The city manager or the city manager's designee.

Commercial. Designed or intended to be used, or actually used, for other than residential purposes.

Construct or construction. Erecting, constructing, enlarging, altering, repairing, improving, or converting any building or structure for which the issuance of a building permit is required by Oregon law.

Improvement. A permanent addition to, or modification of, real property resulting in a new structure, additional square footage to an existing structure, or addition of living space to an existing structure.

Net revenue. Revenues remaining after the administrative fees described in section 3.738 of this code are deducted from the total construction excise tax collected.

Residential. Designed or intended to be used, or actually used, for residential purposes including any residential structure, dwelling, or dwelling unit.

Structure. Something constructed or built and having a fixed base on, or fixed to, the ground or to another structure.

Value of improvement. The total value of the improvement as determined in the process of issuance of the building permit.

3.732 Construction Excise Tax – Tax Imposed.

- (1) Each person who applies to construct a commercial improvement in the city shall pay a commercial construction excise tax in the following amounts:
 - (a) From July 1, 2019 through June 30, 2020: 0.33 percent of the value of the improvement.
 - (b) Beginning July 1, 2020: 0.50 percent of the value of the improvement.
- (2) Each person who applies to construct a residential improvement in the city shall pay a residential construction excise tax in the following amounts:
 - (a) From July 1, 2019 through June 30, 2020: 0.33 percent of the value of the improvement.
 - (b) Beginning July 1, 2020: 0.50 percent of the value of the improvement.
- (3) The construction excise tax shall be due and payable prior to the issuance of any building permit.

3.734 Construction Excise Tax - Exemptions.

- (1) The construction excise tax shall not apply to any of the following improvements:
 - (a) Private school improvements;
 - (b) Public improvements as defined in ORS 279A.010;
 - (c) Residential housing that is guaranteed to be affordable, under guidelines established by the United States Department of Housing and Urban Development, to households that earn no more than 80 percent of the median household income for the city of Eugene, for a period of at least 60 years following the date of construction of the residential housing;
 - (d) Public or private hospital improvements;
 - (e) Improvements to religious facilities primarily used for worship or education associated with worship;
 - (f) Agricultural buildings, as defined in ORS 455.315(2)(a);
 - (g) Facilities that are operated by a not-for-profit corporation and that are:
 1. Long term care facilities, as defined in ORS 442.015;
 2. Residential care facilities, as defined in ORS 443.400; or
 3. Continuing care retirement communities, as defined in ORS 101.020.
 - (h) Residential dwellings sold for \$250,000 or less;
 - (i) Housing for low-income persons that is exempt from systems development charges pursuant to section 7.725(c) of this code; and,
 - (j) Projects granted a multi-unit property tax exemption (MUPT) by the city.
- (2) Any person seeking an exemption may be required to demonstrate that the improvements are eligible for an exemption and to establish all facts necessary to support the exemption.

3.736 Construction Excise Tax – Refunds.

- (1) A construction excise tax may be refunded to a person that:
 - (a) Establishes that the tax was paid for improvements that were otherwise eligible for an exemption under section 3.734 of this code; or
 - (b) Establishes that construction of the improvements was not commenced and the associated building permit has been cancelled by the city; or
 - (c) Establishes that the tax had been erroneously collected.
- (2) A request for a refund shall be made within three years from the date of payment of the construction excise tax on forms provided by the city manager. Denial of a request for a refund may be appealed as provided for in section 3.744 of this code.

3.738 Construction Excise Tax – Allocation.

- (1) Revenues from the construction excise tax will be allocated to fund programs, incentives, and services related to the housing of households earning 100 percent of area medium income and below, and in accordance with state law.
- (2) Up to 4 percent of the taxes collected may be retained by the city for payment toward the city's administrative expenses related to collection and distribution of the construction excise tax.

3.740 **Construction Excise Tax – Interest and Penalties.** In addition to assessing any civil penalties, if the city manager determines that a person has failed to pay to the city all or any part of the construction excise tax due under section 3.732 of this code, interest shall be due on the entire unpaid amount, assessed at the rate of .833 percent simple interest per month or fraction thereof (10 percent per annum), computed from the original due date of the tax.

3.742 **Construction Excise Tax – Implementing Rules.** The city manager may adopt administrative rules pursuant to section 2.019 of this code for implementation of sections 3.732, 3.734, 3.736, 3.738, 3.740, 3.744, 3.746 and 3.748 of this code, the billing and collection of the construction excise tax due thereunder, and enforcement of those provisions.

3.744 **Construction Excise Tax – Appeal.** Any person aggrieved by any decision under this code may appeal the decision in the manner provided in section 2.021 of this code. The appeal shall be heard and determined as provided in section 2.021 of this code.

3.746 **Construction Excise Tax – Violations.** No person required to pay a construction excise tax under section 3.732 of this code may fail to state or to misstate the full value of the improvement.

3.748 **Construction Excise Tax – Program Review.** Beginning in 2021, and every two years thereafter, the city council shall review the overall management and outcomes of the construction excise tax program.

Section 2. The System Development Charges (SDCs) of persons required to pay the construction excise tax pursuant to Section 3.732 will be calculated in accordance with City Code and the City's adopted SDC Methodology. However, for the period of July 1, 2019 through June 30, 2021, the amount of the construction excise tax the person paid pursuant to Section 3.732 will be subtracted from the total amount of City-imposed SDCs the person owes. The person will owe the total City-imposed SDC amount remaining after the construction excise tax is subtracted. Also, the person will owe in its entirety the Regional Wastewater SDC. If the amount of the construction excise tax the person paid pursuant to Section 3.732 exceeds the total amount of City-imposed SDCs owed, the excess construction excise tax paid will be subtracted from a permit fee the person owes.

Section 3. In order to ensure that the City's SDC fund is able to pay for the infrastructure upon which the City's SDC Methodology is based, the City intends to make the SDC fund whole by paying with other City funds the City SDCs not paid pursuant to Section 2 of this Ordinance. Similarly, if any amount is subtracted from a permit fee, the City intends to make the permit fund whole by paying with other City funds the permit fee not paid pursuant to Section 2 of this Ordinance.

Section 4. The City intends to designate \$500,000 per year of City funds to the City's Affordable Housing Trust Fund.

Section 5. The City intends to convene a citizen advisory committee to make recommendations regarding how construction excise tax revenues should be allocated in accordance with Section 3.732.

Section 6. The City Recorder, at the request of, or with the consent of the City Attorney, is authorized to administratively correct any reference errors contained herein, or in other provisions of the Eugene Code, 1971, to the provisions added, amended or repealed herein.

Passed by the City Council this
8th day of April, 2019.


Deputy City Recorder

Approved by the Mayor this
10th day of April, 2019.


Mayor



Construction Excise Tax

What Is the Construction Excise Tax?

In 2016, Oregon Legislature passed Senate Bill 1533 authorizing Oregon cities and counties to establish a construction excise tax (CET). In May of 2019, the Eugene City Council passed an ordinance establishing the tax in Eugene. The tax will create a dedicated source of funding for affordable housing. The law authorizes a city or county to tax new residential and commercial buildings, additions, and alterations. Specifically, it applies to all improvements which result in a new structure, additional square footage to an existing structure, or addition of living space to an existing structure.

Why is this tax needed?

Eugene City Council and State Legislature both recognize traditional funding sources for affordable housing – especially federal sources – have declined. Because of this decline, our community has fallen far behind in meeting the housing needs of Eugene residents with limited incomes. The money collected from the CET will be put into the Affordable Housing Trust Fund. This fund will provide critical funding and is one part of a larger effort to help address the housing challenge.

What does the CET pay for?

Money collected from the CET will go into the Affordable Housing Fund, which will pay for projects and programs that increase availability and access to owner- and renter-occupied housing that is affordable to lower income community members. Examples of how these funds may be used include:

- Gap financing for the development of new affordable housing
- Acquisition of existing housing that will become affordable
- Acquisition of land for future affordable housing development
- Down payment assistance for home buyers
- Rental or security deposit assistance for people who rent their homes.

CET resources will be used to supplement the

limited federal resources that support the City's existing federal affordable housing programs. Revenues will be allocated to fund projects, programs, incentives, and services related to the housing of households earning 100% of area medium income and below, and in accordance with state law.

The City is in the process of forming a citizen advisory committee that will advise on the use of Affordable Housing Trust Funds resources. It is anticipated that funds will be allocated to housing programs and projects starting in early 2020.

Who needs to pay and when?

The CET is required to be paid by the developer or property owner who is developing property within Eugene city limits. The CET applies to certain improvements to property that result in additional square footage or improvements which create additional living space. The CET is paid when the permit is issued.

The CET goes into effect July 1, 2019. For the first two years of implementation, the CET will be offset by a reduction in system development charges (SDC) equal to the amount of the CET. If the SDCs are less than the total of the CET, permit fees will be reduced to offset the total of the CET. This means, for the first two years, there will be no additional cost to development.

Who is exempt from paying the CET?

The following are exempt from the CET:

- Private school improvements
- Public improvements as defined in [ORS 279A.010](#)
- Residential housing that is guaranteed to be affordable to households that earn no more than 80% of the median household income for a period of at least 60 years following the date of construction
- Public or private hospital improvements
- Improvements to religious facilities



primarily used for worship or education associated with worship

- Agricultural building as defined by ORS 455.315
- Long term care facilities operated by a not-for-profit corporation, as defined in ORS 442.015
- Residential care facilities operated by a not-for-profit corporation, as defined in ORS 443.400
- Continuing care retirement communities operated by a not-for-profit corporation, as defined in ORS 101.020
- Residential dwellings sold for \$250,000 or less
- Housing for low-income persons that is exempt from systems development charges (SDCs) pursuant to section 7.725c
- Projects granted a multi-unit property tax exemption (MUPT) by the city.

To demonstrate a project is exempt from the CET a [Construction Excise Tax Exemption Form](#) must be completed, signed, and submitted with the building permit application identifying what exemptions are applicable to the project.

How much is the CET?

For the first year, the CET will be 0.33% of the value of permitted work and will increase to 0.5% the following year. It is

projected to remain at 0.5% for every year thereafter.

How long is the CET active?

Based on legislation adopted in 2016, the City can continue levying the tax for an indefinite amount of time. Eugene City Council will review the overall management and outcomes of the program every two years.

Whom can I contact for more information?

If you have additional questions, you may contact the City of Eugene's Building and Permit Services by phone: (541) 682-5086.

Additional information on the affordable housing programs and the advisory committee can be found at:

eugene-or.gov/affordablehousingfund

What is "affordable housing" and how can I learn more about City affordable housing programs and resources?

Across the United States, housing costs are considered "affordable" if the monthly rent or mortgage, plus utilities, add up to no more than one-third (or 30%) of gross household earnings. Affordable housing developments receive public subsidies in exchange for a commitment to provide homes with limited rents for people with limited incomes.

The City of Eugene has supported the creation of affordable housing using both federal and local funds for over 40 years.

www.eugene-or.gov/bps

Affordable Housing Trust Fund Advisory Committee Members

Purpose

The objective of the Affordable Housing Trust Fund Advisory Committee is to advise City of Eugene staff on:

- Development of goals and programs related to the use of Affordable Housing Trust Fund resources
- Allocation of Affordable Housing Trust Fund resources
- Review of specific project proposals to be supported by Affordable Housing Trust Fund resources

Members

Private Sector Positions

John Barofsky

Dane Butler

Isaac Judd

Housing and Population Advocates

Sarah Pishioneri (Co-Chair)

Carmel Perez Snyder

Paula Farquhar-Stout

At-Large

Pete Knox

Kaarin Knudson

Scott Rogers (Co-Chair)

MEMO

To: City Manager Sarah Medary

From: Affordable Housing Trust Fund Advisory Committee Members

Date: July 21, 2020

Subject: 2020 Allocation Recommendation for Affordable Housing Trust Fund

Dear City Manager Medary:

Thank you for the opportunity to serve on the inaugural Affordable Housing Trust Fund Advisory Committee. We, the nine members of this committee, are proud to be part of this effort to support housing solutions and address the local housing crisis. We believe the decision to create this Trust Fund was a significant milestone for Eugene, and that the Trust Fund plays a unique, critical role in improving our capacity to meet local needs.

We face a housing crisis that has grown over decades, and that is now unprecedented in its breadth and depth. We share a goal of working to leverage the Trust Fund's valuable public dollars, and to see it accomplish measurable outcomes year after year. We are excited to review the proposals that come forward in this first year, and to see the solutions that will be made real because this funding tool exists.

A Commitment to Affordable Housing + The Unique Role of the Trust Fund

From the committee's first meeting in fall 2019, our focus has been on how this Trust Fund can be leveraged to create new affordable housing; to protect existing affordable housing; to support housing equity and expand ownership opportunities; and to facilitate innovative housing solutions. These goals serve Eugeneans who rent their homes and who seek to own their homes.

In spring and summer 2020, we reconfirmed this commitment to affordable housing and to catalyzing change through our local housing actions. Our committee unanimously agreed that the Trust Fund's primary, long-term goal is the creation of affordable housing. We have also discussed the desire for this Trust Fund to be a flexible resource—to be clear in its mission but able to adapt to new information and opportunities we haven't yet imagined. Guiding these commitments is information from staff about local housing needs, the priorities identified in our 2020 Consolidated Plan, and insight shared from affordable housing professionals and providers around the state during this past year.

Eugene's Trust Fund has a unique, capacity-building role to play in addressing the housing crisis. We know it cannot do everything, but we see the Trust Fund as working in complement with existing programs like HOME and CDBG, as well as State emergency funding, Federal CARES Act funding, and emergency CDBG funding that have directed more than \$6M to Rent Assistance/Relief programs, program support, homelessness resources, and Fair Housing trainings in response to the COVID-19 pandemic.

Importance of Flexibility in Meeting the Affordable Housing Trust Fund's Purpose

State law and the City's ordinance outline funding and structural requirements of Eugene's Trust Fund. On July 24, 2019, the City Council also held a 45-minute work session that included a motion to create additional requirements for how the 2020 Trust Fund would be allocated. The advisory committee had not been seated when this discussion occurred.

Through our work since last July, we have learned that maintaining flexibility is a more advisable and likely productive approach. We have been advised to consider the Trust Fund as a "nimble" development tool that can

meet and influence the strongest, most productive housing proposals. We have learned that some of the most successful Affordable Housing Trust Funds incorporate a more fluid response to funding proposals, and that this approach is consistent with the most innovative grantmakers and committed partners.

2020 Allocation Process

Since the Council meeting in April, the Committee has worked quickly to arrive at consensus for the 2020 Affordable Housing Trust Fund Allocation Recommendation. This work was challenged by the COVID-19 pandemic, and time is always tight.

But when presented with constraints, the committee responded by taking on additional responsibilities and requesting additional meetings to do the work needed in the time we had. Our recent work has included a series of meetings facilitated by Banyan Tree consulting, background research on other jurisdictions' CET allocation processes, new subcommittee meetings, a survey of all committee members, and additional full-committee meetings to develop, review and approve the 2020 Allocation Recommendation.

Recommendation

We agree the focus of the 2020 Allocation Recommendation should be on the creation of affordable housing. We recommend the RFP process not be further constrained by specific percentages assigned to different categories. Rather, we believe the combination of this clear focus on affordable housing supply combined with the Trust Fund's flexible structure will encourage the strongest, most impactful proposals to come forward. We recommend framing the Trust Fund's catalytic purpose as such. Our goal is to see the Trust Fund's dollars leveraged and even "spent more than once," and to encourage new solutions. We expect the vast majority of proposal(s) to be for projects that serve local renters, but we also hope to address racial equity and the path to homeownership.

Eligible Projects for the 2020/2021 RFP cycles would include:

- Affordable Housing – projects serving up to 100% AMI
- Mixed-income housing projects – projects that combine housing for low-income, transitional or historically underserved populations with market-rate housing units to establish financial sustainability
- Single-Room Occupancy projects
- Homebuyer Assistance and revolving loan fund projects
- Land Acquisition for Affordable Housing projects
- Manufactured/Prefabricated Home projects

In addition:

- Public- and private-sector housing developers are both eligible to apply with project proposals that deliver affordable housing
- Projects serving historically underserved communities will be given added weight in the RFP evaluation process

Because the focus of this Trust Fund is on creating affordable housing and supporting more equitable housing outcomes, eligibility is focused on projects that leverage dollars to create or retain affordable housing and close the homeownership gap between white and BIPOC neighbors. Ineligible projects include rental assistance program funding, temporary/emergency shelter, program operations funding, and the remodeling/repair of individual homes or multi-unit projects, which receive funding from existing programs at the City, County and State.

Examples of Well-Established + Innovative Solutions

We expect the RFP response will show us how the Trust Fund can be best aligned to current local needs. While we cannot determine the specific projects that will be proposed, we expect the Trust Fund to support well-established and innovative solutions, such as:

- Projects to build new affordable rental units
- Projects that acquire/obtain existing rental units to keep them affordable
- Mixed-income projects that create long-term sustainability through the integration of low-income and market-rate development
- Land acquisition projects for permanent affordable homeownership via community land trust models or new affordable housing units within market-rate developments.

A few specific, regional examples of innovative housing solutions that serve vulnerable and underserved communities include:

- The Living Cully/Hacienda [Affordable Small Homes](#) project, which combines new affordable housing with homeownership resilience, by building affordable ADUs for low-income BIPOC tenants on the properties of low-income homeowners.
- [Housing for Heroes](#) in Bend, the acquisition and rehabilitation of two fourplexes for very low- and extremely low-income veterans with special needs.
- [Jolene's First Cousin](#), a neighborhood-based, mixed-income project that includes 11 rooms in a single-occupancy (SRO) arrangement combined with two market-rate housing units, and three ground-floor, neighborhood commercial spaces.

Request + Next Steps

We request your continued support of the committee's work and the Recommended Allocation approach. We realize our role is to "set the table" for great proposals to come forward from the community, and we are confident that this recommendation positions the Trust Fund to have immediate, significant, and lasting benefit for our community.

Thank you for your commitment to our community and we look forward to the work ahead.

Sincerely,

Scott Rogers (Co-Chair)
Sarah Pishioneri (Co-Chair)
Isaac Judd
Kaarin Knudson
Carmel Perez Snyder

Pete Knox
John Barofsky
Dane Butler
Paula Farquhar-Stout

EUGENE CITY COUNCIL AGENDA ITEM SUMMARY



Work Session and Possible Action: Library Local Option Levy Resolution Adoption

Meeting Date: July 27, 2020
Department: Library, Recreation, Cultural Services
www.eugene-or.gov

Agenda Item Number: 3
Staff Contact: Will O'Hearn
Contact Telephone Number: 541-682-5363

ISSUE STATEMENT

The purpose of this item is to review two proposed library local option levy renewal resolutions and to give direction on items related to that resolution in order to place the selected levy option on the November 3, 2020, ballot.

BACKGROUND

At the June 10, 2020, work session, the City Council was presented with three different options for the renewal of the library levy. The Council indicated an interest in both Option 1 (Maintain) and Option 2 (Maintain and Recover) and requested an overview of both Options 1 and 2, with additional detail.

At the July 13, 2020, work session, the City Council was presented with two options for the renewal of the library levy. The Council moved that a resolution be drafted for both options and brought back for consideration at the July 27, 2020, work session to determine which resolution to adopt for the November 3, 2020, election.

Library Levy Options

Two local option levy renewal resolutions are summarized below. Both options build upon proven strategies for engagement with library services and are in alignment with what the community has prioritized and needs from the library: hours and access, materials and technology, programs, and services. The levy alternatives focus on different levels of service in each of those three priority areas. The second option includes and expands upon the first.

- Option 1 (Maintain), \$2.85M per year with a tax rate of 0.15, focuses on continuing services from the 2015 levy, comprising of more hours and access, more materials and technology, and more programs and services (see Attachment A).
- Option 2 (Maintain and Recover), \$3.18M per year with a tax rate of 0.17, includes this continuation of services and builds upon it, including additional resources and services to help the community's long-term recovery (see Attachment B).

Voters' Pamphlet

Eugene Code.993(2) requires the City Manager to publish and distribute a local voters' pamphlet for elections in which a City measure is on the ballot. The time required for printing a pamphlet

July 27, 2020 Work Session – Item 3

and preparing it for mailing are set by production schedules of mailing services and commercial printers. Pamphlet content and deadlines for its preparation and mailing are established by Eugene Code 2.993 through 2.997. To meet these deadlines, council action is requested at this meeting.

Production of a voters' pamphlet is not a regularly budgeted item and thus requires a request for additional funds. Production costs for the voters' pamphlets the past few years have averaged between \$20,000 and \$25,000 (including postage). Taking into account increased costs for postage and labor, staff estimates that this pamphlet will cost approximately \$25,000.

EC 2.996(1)(b) establishes that for City Council-referred measures, the voters' pamphlet argument in favor and the rebuttal to the opposition argument are to be prepared by one or more of the councilors who voted in favor of the measure.

PREVIOUS COUNCIL DIRECTION

[July 13, 2020, City Council Work Session](#)

COUNCIL OPTIONS

1. The council may adopt the library levy Option One resolution.
2. The council may adopt the library levy Option Two resolution.
3. The council may provide other direction to staff.

If Option One or Two is chosen from above, the following election-related options will be available to City Council:

1. The council may approve motions to produce and expend funds on a voters' pamphlet and appoint councilors to a proponent committee.
2. The council may approve a motion to prepare a neutral information tabloid, or council may determine to not proceed with preparation of such a tabloid.

CITY MANAGER'S RECOMMENDATION

The City Manager recommends approval of the motion to adopt the resolution selecting library Option Two to place on the November 3, 2020 ballot. The Manager also recommends approval of the motions to produce and pay for a voters' pamphlet, to appoint members to the proponent committee and to produce a neutral informational tabloid for voters.

SUGGESTED MOTIONS

- A. Move to adopt the resolution selecting library levy Option One to place on the November 3, 2020, ballot.

OR

- B. Move to adopt the resolution selecting library levy Option Two to place on the November 3, 2020, ballot.

Suggested motions if resolution adopted for library levy Option One or Option Two:

- A. Move to appoint Councilors _____, _____, and _____ to the voters' pamphlet proponent committee for the Library Local Option Levy.
- B. Move to direct the City Manager to prepare a neutral information tabloid concerning a library local option levy.
- C. Move to direct the City Manager to include on a supplemental budget sufficient appropriation to produce a voters' pamphlet and produce a neutral information tabloid.

ATTACHMENTS

- A. Library Resolution to Adopt Option One
- B. Library Resolution to Adopt Option Two

FOR MORE INFORMATION

Staff Contact: Will O'Hearn
Telephone: 541-682-5363
Staff E-Mail: wo'hearn@eugene-or.gov

RESOLUTION NO. _____

**A RESOLUTION CALLING A CITY ELECTION ON NOVEMBER 3, 2020,
FOR THE PURPOSE OF REFERRING TO THE LEGAL ELECTORS OF
THE CITY OF EUGENE A MEASURE AUTHORIZING A FIVE-YEAR
LOCAL OPTION LEVY FOR THE FUNDING OF LIBRARY
OPERATIONS.**

The City Council of the City of Eugene finds as follows:

A. The Eugene Public Library's mission is to support an informed community, lifelong learning, and the love of reading by providing access for all city residents to the universe of ideas and information. The library provides inclusive and equitable information access for all of Eugene that contributes to the education, development, and growth of our community. The library is a leader in the areas of community building, public computer access, early literacy, and free, enriching programs for all ages. The library is heavily used by our community and has been repeatedly recognized as being within our nation's top three percent of public libraries for excellence in cost-effective delivery of key services.

B. The City of Eugene has a history of supporting its library. In 1906, the first Eugene Public Library, named the Carnegie Library, opened at 11th and Willamette. Over time, the Carnegie Library no longer met the needs of the growing community. In 1959, the library moved into a new building at Olive and 13th. By the 1990's, Eugene had grown significantly, and the community desired a larger library to meet its new needs. The Mayor and City Council, supported by the voters, decided to open two branch libraries as well as build a new downtown library. Since its completion in 2002, the Downtown Library has been an anchor to downtown redevelopment. In 2000, the Bethel and Sheldon Branch Libraries opened in leased facilities with levy funding. These neighborhood locations are vital to accessible service delivery for community members in all parts of the city, especially for kids after school. After two years with reduced hours, voter-approved levy funding doubled open hours at both branches beginning July 2016.

C. In FY19, the library served over 3,000 visitors daily at three locations, and the library's collection was utilized over three million times. Annually, the library provides almost 2,300 free programs, ranging from story-times and classes to entertainment. Over 65,000 community members of all ages attend these free programs every year. The library's three locations provided over 1.7 million wireless sessions and over 145,000 Internet computer user sessions.

D. The City's library services are funded by the City's General Fund, donated funds, and the five-year operating levy approved by the voters in 2015. The FY21 General Fund budget of \$12,271,893 pays for the following services:

- a. Downtown Library services - 61 hours across seven days a week.
- b. Bethel and Sheldon Branch services - 26 hours over five days a week.

- c. Publicly available technology to use at the library.
- d. Ability to use one's own technology to access library services online 24 hours per day.
- e. A limited amount of new material acquisitions.
- f. Approximately 1,200 free public programs offered at the library annually, for all ages.
- g. Some off-site programs, all of which serve those unable to come into the library.

E. On November 3, 2015, the City of Eugene voters approved Measure 20-235 to fund library services for five years beginning July 2016. The services included more hours and access, more programs and services, and more materials and technology. The five-year levy is set to expire in June of 2021.

F. Since the passage of the 2015 levy funding, the library has seen a 16% increase in cardholders. Currently, 65% of community members hold a Eugene Public Library Card. Similarly, since the addition of the 2015 levy funds, program attendance has increased 37%. More recently, the library has seen dramatic growth (over 75% increase during the past two years) in usage of the Maker Hub, which has almost 5,000 users per year.

G. The Eugene community has heavily utilized the services provided through the 2015 library levy funds. Renewal of the levy funds will maintain the high level of service the community has come to enjoy and expect from the library.

H. The goals of additional hours and access, more programs and services, and more materials and technology were attained through passage of the 2015 levy and can be seamlessly maintained for another five years through the continuation of that levy funding. Specifically, the 2020 levy will:

- a. Preserve the 47 additional open hours weekly across all three locations.
- b. Maintain the 1/3 increase in number of free, enriching programs for all ages.
- c. Maintain the Maker Hub area providing community members with access to and training on tools and equipment they might not be able to afford individually.
- d. Maintain increased off-site delivery of programs and outreach.
- e. Maintain high level of library collection and shorter wait times for high demand items.
- f. Maintain and replace internet-ready devices at the Bethel and Sheldon locations.
- g. Maintain programming and upkeep for the library Maker Van, which provides additional opportunities for outreach and access to tools and equipment the community wouldn't be able to afford otherwise.

I. The most recent feedback that the library has received from the Library Advisory Board, community partners, and through patron surveys, reaffirms the community's desires expressed in a 2015 community survey around hours and access, materials and technology, and programs and services.

J. In order to continue the services currently funded by the 2015 levy, the City Council developed a proposal for library levy funding. The levy proposal would pay for services identified in paragraph H, above. All other library services would continue to be funded by the General Fund and donated funds.

K. On July 27, 2020, the City Council agreed that a five-year Local Option Levy of \$2,850,000 per year should be placed on the November 3, 2020 ballot. The typical Eugene taxpayer is estimated to pay an average of \$37 per year over the five-year period of the levy. The tax rate for this levy will be \$0.15 per \$1,000.00 of property value per home, which is two cents less than the \$0.17 tax rate for the current (2015) levy.

L. In order to ensure accountability in the use of levy funds, several components will be included in the levy implementation:

- a. Levy funds will be budgeted and accounted for in separate funds that are easily identifiable by members of the public, in accordance with state law.
- b. Staff will prepare an annual summary of levy spending and performance measures. The report will clearly lay out the library's budget and the split between the General Fund and Levy Funds. The Library Advisory Board will annually review the report to determine whether spending complied with the intention of the ballot measure.
- c. The City Manager will provide an annual memorandum to the City Council about library levy spending and key performance measures for the services. The memorandum will include the staff report and any comments from the Library Advisory Board after their review.

NOW, THEREFORE, based upon the above findings,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EUGENE, a Municipal Corporation of the State of Oregon, as follows:

Section 1. A city election is called for the purpose of referring to the legal electors of the City of Eugene a measure authorizing a five-year Library Local Option Levy in the amount of \$2,850,000 per year, beginning July 1, 2021, to continue to maintain the current level of library services.

Section 2. The City Council orders this city election to be held in the City of Eugene, Oregon, concurrently with the election on November 3, 2020, in accordance with the provisions of Chapter 254 of the Oregon Revised Statutes, and the ballots shall be counted and tabulated and the results certified as provided by law.

Section 3. The City Recorder is directed to give not less than ten days' notice of the city election by publication of one notice in the Register Guard, a newspaper published in the City and of general circulation within the City.

Section 4. This Resolution shall become effective immediately upon its adoption.

The foregoing Resolution adopted the _____ day of July, 2020.

City Recorder

RESOLUTION NO. _____

**A RESOLUTION CALLING A CITY ELECTION ON NOVEMBER 3, 2020,
FOR THE PURPOSE OF REFERRING TO THE LEGAL ELECTORS OF
THE CITY OF EUGENE A MEASURE AUTHORIZING A FIVE-YEAR
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C. In FY19, the library served over 3,000 visitors daily at three locations, and the library's collection was utilized over three million times. Annually, the library provides almost 2,300 free programs, ranging from story-times and classes to entertainment. Over 65,000 community members of all ages attend these free programs every year. The library's three locations provided over 1.7 million wireless sessions and over 145,000 Internet computer user sessions.

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- e. A limited amount of new material acquisitions.
- f. Approximately 1,200 free public programs offered at the library annually, for all ages.
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E. On November 3, 2015, the City of Eugene voters approved Measure 20-235 to fund library services for five years beginning July 2016. The services included more hours and access, more programs and services, and more materials and technology. The five-year levy is set to expire in June of 2021.

F. Since the passage of the 2015 levy funding, the library has seen a 16% increase in cardholders. Currently, 65% of community members hold a Eugene Public Library Card. Similarly, since the addition of the 2015 levy funds, program attendance has increased 37%. More recently, the library has seen dramatic growth (over 75% increase during the past two years) in usage of the Maker Hub, which has almost 5,000 users per year.

G. The Eugene community has heavily utilized the services provided through the 2015 library levy funds. Renewal of the levy funds will maintain the high level of service the community has come to enjoy and expect from the library and allow some service expansion in areas important to the community.

H. The goals of additional hours and access, more programs and services, and more materials and technology were attained through passage of the 2015 levy and can be seamlessly maintained for another five years, and some service areas expanded, through the continuation of that levy funding. Specifically, the 2020 levy will:

- a. Preserve the 47 additional open hours weekly across all three locations.
- b. Maintain the 1/3 increase in number of free, enriching programs for all ages.
- c. Maintain the Maker Hub area providing community members with access to and training on tools and equipment they might not be able to afford individually.
- d. Maintain increased off-site delivery of programs and outreach.
- e. Maintain high level of library collection and shorter wait times for high demand items.
- f. Maintain and replace internet-ready devices at the Bethel and Sheldon locations.
- g. Maintain programming and upkeep for the Library Maker Van, which provides additional opportunities for outreach and access to tools and equipment the community wouldn't be able to afford otherwise.
- h. Provide additional service outreach opportunities, including a Book Bike.
- i. Provide additional Maker Van services.
- j. Increase outreach activities to meet people where they are.
- k. Provide mobile Internet access plus devices for students and other community members.

I. The most recent feedback that the library has received from the Library Advisory Board, community partners, and through patron surveys, reaffirms the community's desires expressed in a 2015 community survey around hours and access, materials and technology, and programs and services.

J. In order to continue the services currently funded by the 2015 levy and expand some of those service areas, the City Council developed a proposal for library levy funding. The levy proposal would pay for services identified in paragraph H, above. All other library services would continue to be funded by the General Fund and donated funds.

K. On July 27, 2020, the City Council agreed that a five-year Local Option Levy of \$3,180,000 per year should be placed on the November 3, 2020 ballot. The typical Eugene taxpayer is estimated to pay an average of \$42 per year over the five-year period of the levy. The tax rate for this levy will be \$0.17 per \$1,000.00 of property value per home, which is the same tax rate for the current (2015) levy.

L. In order to ensure accountability in the use of levy funds, several components will be included in the levy implementation:

- a. Levy funds will be budgeted and accounted for in separate funds that are easily identifiable by members of the public, in accordance with state law.
- b. Staff will prepare an annual summary of levy spending and performance measures. The report will clearly lay out the library's budget and the split between the General Fund and Levy Funds. The Library Advisory Board will annually review the report to determine whether spending complied with the intention of the ballot measure.
- c. The City Manager will provide an annual memorandum to the City Council about library levy spending and key performance measures for the services. The memorandum will include the staff report and any comments from the Library Advisory Board after their review.

NOW, THEREFORE, based upon the above findings,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EUGENE, a Municipal Corporation of the State of Oregon, as follows:

Section 1. A city election is called for the purpose of referring to the legal electors of the City of Eugene a measure authorizing a five-year Library Local Option Levy in the amount of \$3,180,000 per year, beginning July 1, 2021, to continue to maintain the current level of library services and to expand some of the service areas.

Section 2. The City Council orders this city election to be held in the City of Eugene, Oregon, concurrently with the election on November 3, 2020, in accordance with the provisions of Chapter 254 of the Oregon Revised Statutes, and the ballots shall be counted and tabulated and the results certified as provided by law.

Section 3. The City Recorder is directed to give not less than ten days' notice of the city election by publication of one notice in the Register Guard, a newspaper published in the City and of general circulation within the City.

Section 4. This Resolution shall become effective immediately upon its adoption.

The foregoing Resolution adopted the _____ day of July, 2020.

City Recorder