



## Eugene City Council

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Eugene, OR 97401  
541-682-5010 • 541-682-5414 Fax  
www.eugene-or.gov

# EUGENE CITY COUNCIL AGENDA

February 11, 2026

### 12:00 p.m. CITY COUNCIL WORK SESSION and URBAN RENEWAL AGENCY MEETING

City Council Wednesday work sessions are held 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>

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**Meeting of February 11, 2026;  
Her Honor Mayor Kaarin Knudson Presiding**

#### **Councilors**

Lyndsie Leech, President	Eliza Kashinsky, Vice President
Greg Evans	Mike Clark
Matt Keating	Randy Groves
Alan Zelenka	Jennifer Yeh

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### 12:00 p.m. CITY COUNCIL WORK SESSION and URBAN RENEWAL AGENCY MEETING

- 1. WORK SESSION: Riverfront Urban Renewal District Update**
- 2. WORK SESSION: Riverfront Urban Renewal District Update**
- 3. WORK SESSION: Housing Production Incentives**

The Eugene City Council welcomes your interest in these agenda items. This meeting location is wheelchair-accessible. For the hearing impaired, an interpreter can be provided with 48 hours' notice prior to the meeting. Spanish-language interpretation will also be provided with 48 hours' notice. To arrange for these services, contact the receptionist at 541-682-5010. City Council meetings are telecast live on Metro Television, Comcast channel 21, and rebroadcast later in the week.

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](http://www.eugene-or.gov).

# EUGENE URBAN RENEWAL AGENCY

## AGENDA ITEM SUMMARY



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### Work Session: Riverfront Urban Renewal District Update

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Meeting Date: February 11, 2026  
Department: Planning and Development  
www.eugene-or.gov

Agenda Item Number: 1  
Staff Contact: Will Dowdy  
Phone: 541-682-5340

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#### ISSUE STATEMENT

This is the first of two work session items on February 11, 2026, related to Riverfront Parcels 4 and 5 and the City Hall property. At this work session, the Urban Renewal Agency Board (Agency Board) will be provided with an update on the status of the Riverfront Urban Renewal District (District) and will be asked to review and take action on one project eligible for urban renewal funds: repurchase of property previously sold to the developer Atkins Dame. Following this item, City Council will consider the sale of a nearby, similarly sized property to Atkins Dame.

#### BACKGROUND

Urban Renewal has been the primary tool used to realize the community's vision of transforming the former Eugene Water and Electric Board (EWEB) property into the new Downtown Riverfront neighborhood. The Agency purchased the 16-acre property in April 2018 and has made significant investments to spur the site's redevelopment. Council amended the Riverfront Urban Renewal Plan on January 22, 2024, in order to achieve four objectives: 1) help to make residential development projects financially feasible, 2) improve public spaces and buildings (including streets and walkways), 3) strengthen the Plan Area's commercial environment, and 4) protect and enhance the key riparian areas along the river.

The Downtown Riverfront neighborhood has seen substantial progress towards these objectives in the last twelve months; the result of years of planning and hard work. The second residential building, Portal, brought 130 new units into the neighborhood. The Plaza at the Downtown Riverfront Park also opened and is used daily by Eugeneans from around the community. The Affordable Housing project on Parcel 2 has successfully applied for State and Federal funds and is now on the waiting list for State funds as they become available. The Development Agreement for the Steam Plant has been executed and the development team is beginning exploratory testing and artifact preservation in the building (construction must begin by January 2028). City Hall continues to be an active location for Council, community members and City employees.

One of the next areas of focus is improving the connections between all of these component parts, especially where City Hall, the Plaza and private development meet at the intersection of 5th Avenue and Ferry Street. (See Attachment A for a map of the Downtown Riverfront neighborhood.) Later this spring, staff will bring the Agency Board opportunities to invest Urban Renewal funds in projects including: a food hall/eatery on Parcel 8 facing the Park and Plaza; improving the connection between 5th Avenue and the City Hall parking lot and moving the generator that blocks access between them; other connection, access, and wayfinding improvements between City Hall and the rest of the Riverfront neighborhood; and an Affordable Housing project on Parcel 4.

February 11, 2026 Work Session – Item 1

## Property Acquisition for Consideration

The City and Agency have received a proposal from Atkins Dame to exchange property the Agency previously sold to Atkins Dame (Parcel 5) for a similarly sized portion of the City Hall property abutting Parcel 4 (labeled Parcel 4A). (See Attachment B for a map of the subject properties.) As proposed, the Agency would repurchase Parcel 5 from Atkins Dame; at the same time, the City would sell Parcel 4A to Atkins Dame. Both properties would sell for approximately the original sale price of Parcel 5 ( \$31 per square foot).

The proposal is timely as both Agency and Developer are considering the second phase of development, especially the connection point between public and private spaces at the intersection of Ferry Street and 5th Avenue. Parcel 5 was configured prior to the City's purchase of the City Hall property. In the original concept plan by Atkins Dame, that parcel was expected to double in size with land acquired from "the future owner of the EWEB Headquarters property." When the City purchased the EWEB Headquarters property, City Facilities staff determined that the secure parking area south of City Hall was too integral to building operations to designate for disposition. Similarly, Atkins Dame has tested new development concepts on Parcel 4 and has identified that additional property is needed to increase the parcel size to make a multi-unit project viable.

The Agency would use Parcel 5 as a transition between the City Hall property and 5th Avenue where it meets the Downtown Riverfront Park. The Agency Director recommends that following build out of Parcel 5, the Agency transfer ownership of that parcel to the City for management of the site. Atkins Dame has indicated that they would use the Parcel 4A property to pursue a proposal for an Affordable Housing project on Parcel 4 (estimated at 24-28 units). Staff recommend that proceeds from the Parcel 4A sale be used for needed connection improvements on the City Hall property, and on the areas between the City Hall Property and the Downtown Riverfront Park, other development, parking areas, and adjacent neighborhoods.

## **RELATED CITY POLICIES**

### [City of Eugene Strategic Plan 2023-2026](#)

#### Urgent Community Needs

- Strategic Goal: Increase the vibrancy, economic vitality, and livability of downtown.
- Strategic Goal: Stabilize the cost of housing.

### [Riverfront Urban Renewal Plan](#)

This item addresses the following Objectives identified in the Riverfront Urban Renewal Plan:

1. Address barriers to the creation of new housing by helping to make residential development projects financially feasible. The creation of new housing in the Plan Area will:
  - a. Contribute to the Plan Area's vitality;
  - b. Help alleviate the undersupply of housing in Eugene; and
  - c. Support the City's housing and climate action goals.
2. Improve public spaces and buildings in the Plan Area in order to make it a safe, accessible, and welcoming place for all users. These public improvements will:
  - a. Address public safety concerns by improving the physical environment;
  - b. Provide safe, direct, and attractive linkages between the Plan Area, the University of

February 11, 2026 Work Session – Item 1

- Oregon, downtown Eugene, and the Willamette River;
  - c. Address bicycle and pedestrian access within the Plan Area; and
  - d. Improve pedestrian and multi-modal transportation circulation between downtown Eugene and the Downtown Riverfront.
4. Protect and enhance the key riparian areas along the river by:
- a. Addressing impacts of Plan Area development on public open space;
  - b. Maintaining and enhancing the public’s physical access to and along the Willamette River

Housing Implementation Pipeline

- Income Qualified 5-year Goal 5.1: Continue investing in increasing the supply of Affordable Housing (0-80 percent AMI)
- Overall Housing 5-year Goal 5.2: Increase the amount of housing downtown by 50 percent from 2021; an increase of over 1,000 units

Eugene Downtown Plan

Strong Regional Center – Policy #2. Downtown development shall support the urban qualities of density, vitality, livability, and diversity to create a downtown, urban environment.

**PREVIOUS COUNCIL DIRECTION**

May 26, 2020 Work Session

Councilor Semple, seconded by Councilor Yeh, moved to approve the proposed terms that are contained in Attachment A to the AIS and to authorize the Agency Director to take all actions necessary to transfer the real property underlying the rights-of-way shown in Attachment B to the City of Eugene.

Passed 6:2 (Opposed by Councilors Taylor and Zelenka)

January 22, 2024 Work Session

Councilor Groves, seconded by Councilor Keating, moved to approve an Ordinance Adopting an Amended Urban Renewal Plan for the Riverfront Urban Renewal District.

Passed 6:2 (Opposed by Councilors Semple and Zelenka)

**AGENCY BOARD OPTIONS**

1. Approve the use of urban renewal funds for the repurchase of Parcel 5 and direct the Agency Director to take the actions necessary to acquire Parcel 5 for a purchase price of \$31 per square foot.
2. Take no action.

**AGENCY DIRECTOR’S RECOMMENDATION**

The Agency Director recommends that the Board approve the use of urban renewal funds for the repurchase of Parcel 5 and direct the Agency Director to take the actions necessary to acquire Parcel 5 for a purchase price of \$31 per square foot.

## **SUGGESTED MOTION**

Move to approve the use of urban renewal funds to repurchase Parcel 5 and authorize the Agency Director to take the actions necessary to acquire Parcel 5 for a purchase price of \$31 per square foot.

## **ATTACHMENTS**

- A. Map of Downtown Riverfront
- B. Detailed Subject Property Map

## **FOR MORE INFORMATION**

Staff Contact: Will Dowdy, Community Development Director

Telephone: 541-682-5340

Staff E-Mail: [wdowdy@eugene-or.gov](mailto:wdowdy@eugene-or.gov)

# Downtown Riverfront



- Affordable Housing
- Developer Purchased
- Developer to Purchase in Future
- Developer to Ground Lease - Agency to Keep
- Riverfront Site - Agency Purchased
- Parking Lot
- Bike/Ped Area
- Quiet Zone Crossings
- Transformer

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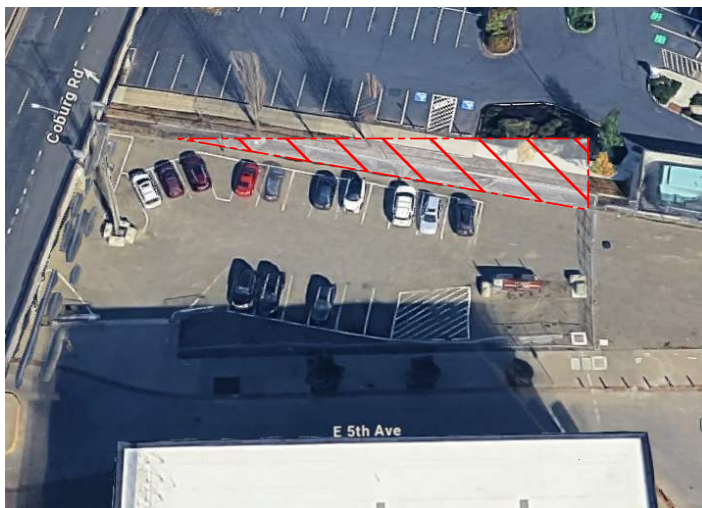
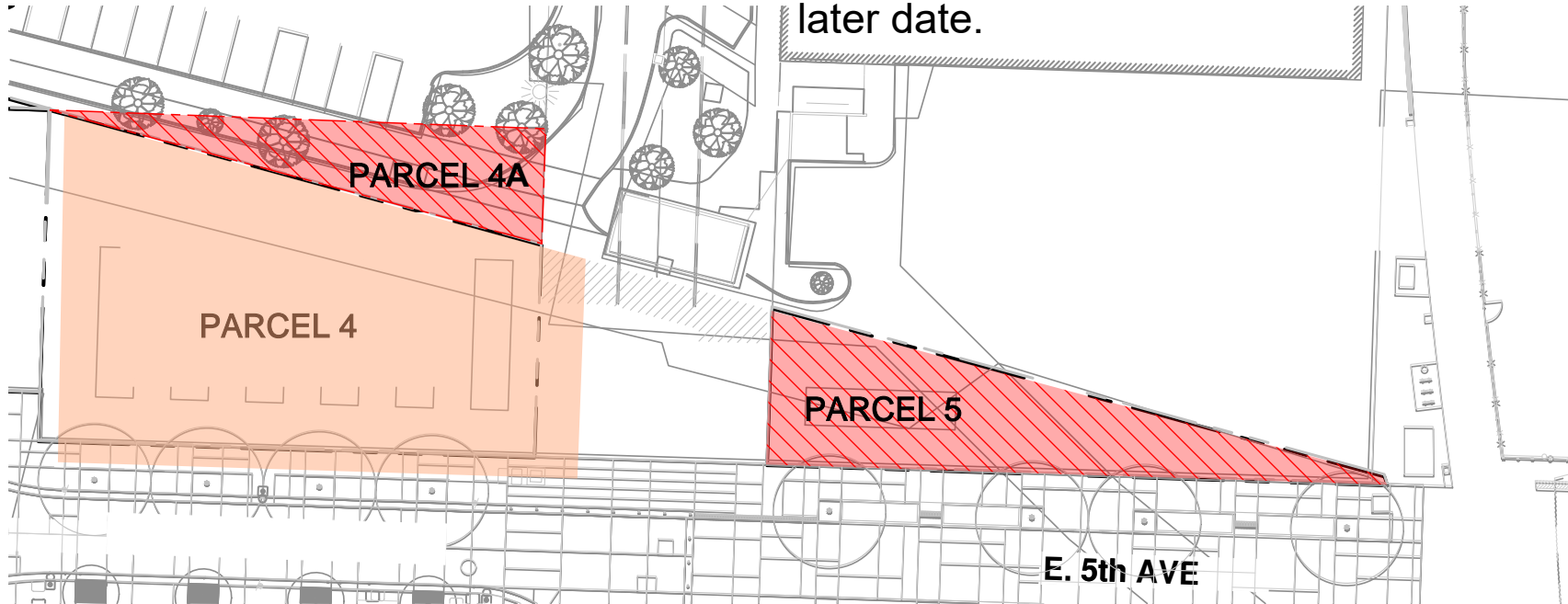
Caution: This map is based on imprecise source data, subject to change, and for general reference only.

**PARCEL 4A ~2,100SF**

Currently owned by City.  
Atkins Dame would like to acquire.

**PARCEL 5 ~3,634SF**

Currently owned by Atkins Dame.  
Agency to acquire then transfer to City at  
later date.



PARCEL 4A



PARCEL 5

# EUGENE CITY COUNCIL

## AGENDA ITEM SUMMARY



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### Work Session: Riverfront Urban Renewal District Update

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Meeting Date: February 11, 2026  
Department: Planning and Development  
www.eugene-or.gov

Agenda Item Number: 2  
Staff Contact: Will Dowdy  
Phone: 541-682-5340

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#### ISSUE STATEMENT

This is the second of two work session items on February 11, 2026, related to Riverfront Parcels 4 and 5 and the City Hall property. Prior to this work session, the Urban Renewal Agency Board will receive a district update and consider action to repurchase Parcel 5. More information can be found in the Agency Board's Agenda Item Summary. At this work session, Council is asked to review and consider taking action to sell a similarly sized portion of the City Hall property abutting Parcel 4 to Atkins Dame, to create a parcel that is large enough to make a multi-unit project viable.

#### BACKGROUND

The Urban Renewal Agency purchased the 16-acre former Eugene Water and Electric Board (EWEB) property in April 2018, with the intent of redeveloping the site to become an active downtown neighborhood and to connect downtown and the Willamette River. The City purchased the EWEB Headquarters building along with the remaining 4.4 acres of the EWEB property in June 2023 and opened City Hall in July 2024.

##### Property Disposition for Consideration

The City and Agency received a proposal from Atkins Dame to exchange property the Agency previously sold to Atkins Dame (Parcel 5) for a similarly sized portion of the City Hall property abutting Parcel 4 (labeled Parcel 4A). (See Attachment B for a map of the subject properties.) As proposed, the Agency would repurchase Parcel 5 from Atkins Dame; at the same time, the City would sell Parcel 4A to Atkins Dame. Staff will conduct the work necessary to adjust property lines as a result of the property transfers. Both properties would sell for approximately the original sale price of Parcel 5 (\$31 per square foot).

The proposal is timely as both Agency and Developer are considering the second phase of development of the Riverfront Area, especially the connection point between public and private spaces at the intersection of Ferry Street and 5<sup>th</sup> Avenue. Parcel 5 was configured prior to the City's purchase of the City Hall property. In the original concept plan by Atkins Dame, that parcel was expected to double in size with land acquired from "the future owner of the EWEB Headquarters property." When the City purchased the EWEB Headquarters property, City Facilities staff determined that the secure parking area south of City Hall was too integral to building operations to designate for disposition. Similarly, Atkins Dame has tested new development concepts on Parcel 4 and has identified that additional property is needed to increase the parcel size to make a multi-unit project viable.

The Agency would use Parcel 5 as a transition between the City Hall property and 5th Avenue where

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it meets the Downtown Riverfront Park. The Agency Director recommends that following build out of Parcel 5, the Agency transfer ownership of that parcel to the City for management of the site. Atkins Dame has indicated that they would use the Parcel 4A property to pursue a proposal for an Affordable Housing project on Parcel 4 (estimated at 24-28 units). Staff recommend that proceeds from the Parcel 4A sale be used for needed connection improvements on the City Hall property and on the areas between the City Hall property and the Downtown Riverfront Park, other development, parking areas, and adjacent neighborhoods.

## RELATED CITY POLICIES

### [City of Eugene Strategic Plan 2023-2026](#)

#### Urgent Community Needs

- Strategic Goal: Increase the vibrancy, economic vitality, and livability of downtown.
- Strategic Goal: Stabilize the cost of housing.

### [Riverfront Urban Renewal Plan](#)

This item addresses the following Objectives identified in the Riverfront Urban Renewal Plan:

#### 400.B Objectives

1. Address barriers to the creation of new housing by helping to make residential development projects financially feasible. The creation of new housing in the Plan Area will:
  - a. Contribute to the Plan Area's vitality;
  - b. Help alleviate the undersupply of housing in Eugene; and
  - c. Support the City's housing and climate action goals.
2. Improve public spaces and buildings in the Plan Area in order to make it a safe, accessible, and welcoming place for all users. These public improvements will:
  - a. Address public safety concerns by improving the physical environment;
  - b. Provide safe, direct, and attractive linkages between the Plan Area, the University of Oregon, downtown Eugene, and the Willamette River;
  - c. Address bicycle and pedestrian access within the Plan Area; and
  - d. Improve pedestrian and multi-modal transportation circulation between downtown Eugene and the Downtown Riverfront.
4. Protect and enhance the key riparian areas along the river by:
  - a. Addressing impacts of Plan Area development on public open space;
  - b. Maintaining and enhancing the public's physical access to and along the Willamette River

### [Housing Implementation Pipeline](#)

- Income Qualified 5-year Goal 5.1: Continue investing in increasing the supply of Affordable Housing (0-80 percent AMI)

Overall Housing 5-year Goal 5.2: Increase the amount of housing downtown by 50 percent from 2021; an increase of over 1,000 units

[Eugene Downtown Plan](#)

Strong Regional Center – Policy #2. Downtown development shall support the urban qualities of density, vitality, livability, and diversity to create a downtown, urban environment.

**PREVIOUS COUNCIL DIRECTION**

[November 27, 2017 Council Work Session](#)

Councilor Zelenka, seconded by Councilor Clark, moved to approve the property disposition process set forth in Exhibit B to guide the sale of City-owned property.

Passed 8:0

**COUNCIL OPTIONS**

1. Direct the City Manager to take the actions necessary to transfer ownership of the portion of the City Hall property labeled Parcel 4A and shown on Attachment B to this AIS to Atkins Dame for the purchase price of \$31 per square foot.
2. Take no action.

**CITY MANAGERS’S RECOMMENDATION**

The City Manager recommends that the Council direct the Manager to take the actions necessary to transfer ownership of the portion of the City Hall property labeled Parcel 4A and shown on Attachment B to this AIS to Atkins Dame for the purchase price of \$31 per square foot.

**SUGGESTED MOTION**

Move to direct the City Manager to take the actions necessary to transfer ownership of the portion of the City Hall property labeled Parcel 4A and shown on Attachment B to this AIS to Atkins Dame for the purchase price of \$31 per square foot.

**ATTACHMENTS**

- A. Real Property Disposition Process, approved by City Council November 2017
- B. Detailed Subject Property Map

**FOR MORE INFORMATION**

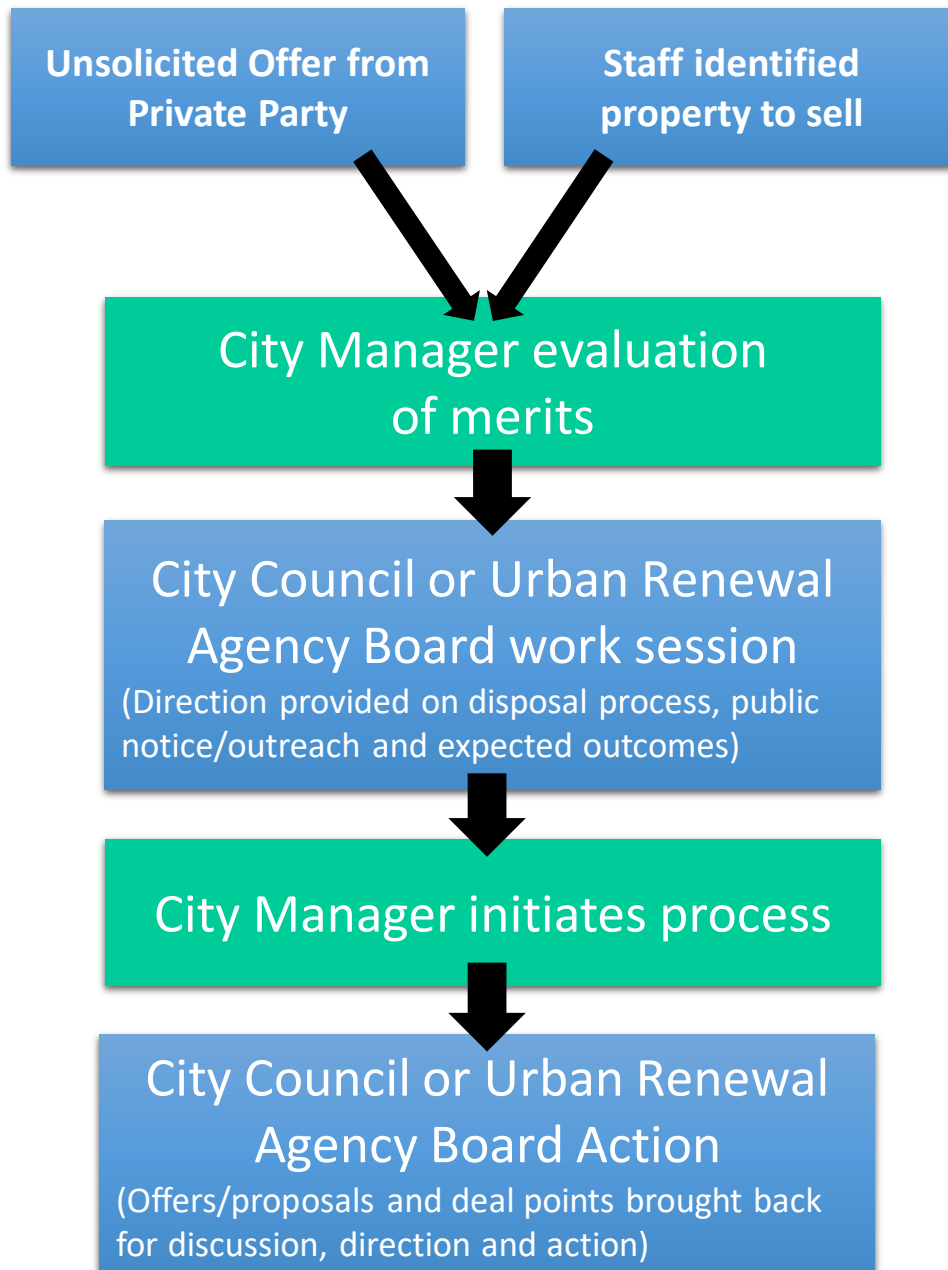
Staff Contact: Will Dowdy, Community Development Director

Telephone: 541-682-5340

Staff E-Mail: [wdowdy@eugene-or.gov](mailto:wdowdy@eugene-or.gov)

# Real Property Disposition Process

*Approved by City Council on November 27, 2017*

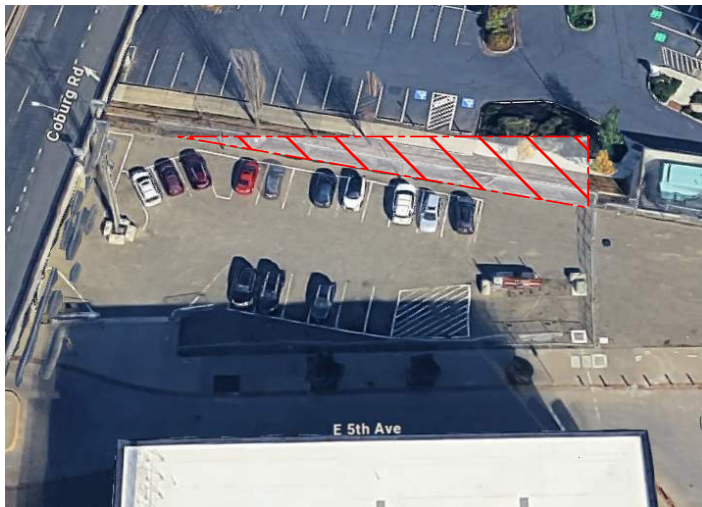
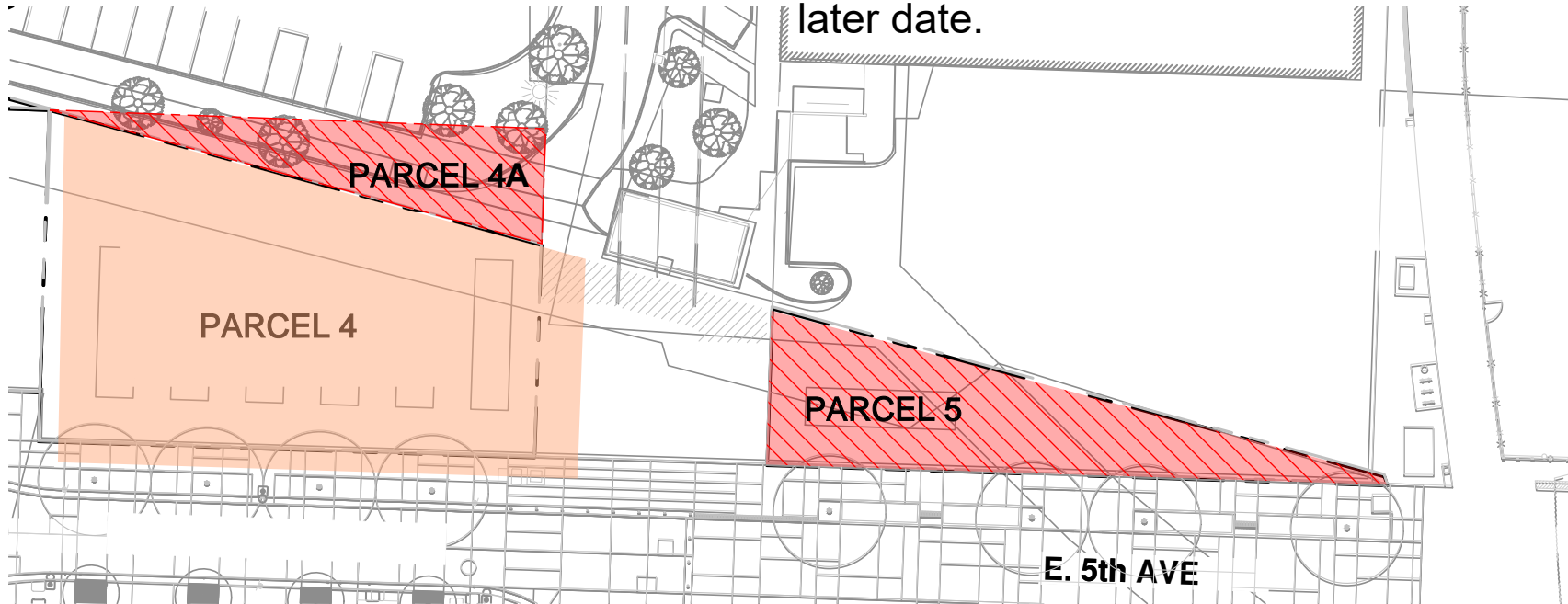


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PARCEL 4A



PARCEL 5

# EUGENE CITY COUNCIL

## AGENDA ITEM SUMMARY



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### Work Session: Housing Production Incentives

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Meeting Date: February 11, 2026  
Department: Planning and Development  
www.eugene-or.gov

Agenda Item Number: 3  
Staff Contact: Amanda D'Souza  
Phone: 541-682-5540

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#### ISSUE STATEMENT

This work session is an opportunity for staff to provide City Council with more information on three proposed Housing Production Incentives, aimed at meeting Urban Growth Strategies goals to accelerate the development of new housing. Council is asked to provide feedback and consider next steps for the proposed programs, described in Attachments A and B.

#### BACKGROUND

As part of [Urban Growth Strategies](#) (UGS), Eugene will advance specific actions to address housing and job needs for the next 20 years of . Eugene needs more than 26,000 new homes over the next 20 years, according to the [2026 Oregon Housing Needs Analysis](#) (see Attachment C). For years, staff have worked across the City organization to identify opportunities for new or expanded financial incentives to increase capacity for housing development. At the November 12, 2025, work session on UGS, staff briefly previewed the Housing Production Incentives as priority housing actions. At this work session, staff will provide an overview on three proposed incentive programs, sourced through research and community feedback, for Council consideration.

##### Proposed Tax Exemption for Moderate Income Housing

The two new tax exemption programs Council will consider are enabled by a state law that encourages transit supportive multi-unit housing, the same law that enables the City's current Multi-Unit Property Tax Exemption (MUPTE) program in downtown. The first proposed program is designed to fill a gap in the City's existing housing incentive programs, as none of the City's current tax incentive programs are geared specifically toward moderate income housing (affordable to households earning between 60 and 120 percent of Area Median Income). The proposed program would provide ten-year tax exemptions on the property value of new moderate income housing construction. Similar to the existing Low Income Rental Housing Property Tax Exemption (LIRHPTE) and MUPTE programs, this program would support housing development by reducing operating costs in the early years of a housing development so that it becomes more financially feasible. The proposed program is described in detail in Attachment A.

##### Proposed Tax Exemption for Housing in Commercial Centers

The second proposed program is designed to respond to the City's need for continued development of new housing, especially in locations served by transit, and the minimal amount of residential development in those locations in recent years. The proposed program would provide ten-year tax exemptions of the property value of new housing (including new market-rate housing) in commercial centers. This program would also support housing development by reducing operating

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costs in the early years of a housing development so that it becomes more financially feasible. The proposed program is described in detail in Attachment A.

Both of these proposed incentives align with new compact development and housing goals policies proposed for inclusion in the Envision Eugene Comprehensive Plan, including encouraging more housing in centers and along key corridors with access to transit and other essential goods and services. In addition, the City will benefit from increased property tax revenue when the exemptions expire after 10 years.

#### Moderate-Income Revolving Loan Fund

In 2024, the Oregon Legislature established the Moderate Income Revolving Loan (MIRL) program to support the production of very low-, low-, and moderate-income housing. The program is administered by Oregon Housing and Community Services (OHCS), which can loan state funds to cities and counties, who can then in-turn, loan or grant funds to developers building eligible projects. More information about the program is provided in Attachment B.

City staff have worked with OHCS to understand the process and agreements necessary to implement this program in Eugene. Staff have reviewed MIRL program adjustments from the 2025 legislative session, are waiting for further revisions from the 2026 session, and have worked with City Finance staff for ways to mitigate the City's financial risk. As a grant or loan, the MIRL program would support housing development by providing development capital to reduce the need for private equity or debt, thereby decreasing the rent or purchase price for future residents. More information about these changes can be found in Attachment B.

#### Next Steps

At this work session, staff will provide proposed frameworks for these housing incentive programs. Council is asked to provide feedback on those frameworks and consider next steps. If Council is interested in continuing to explore any or all of the proposed incentive programs, staff have outlined two potential next steps:

- If Council would like to continue refining the programs' frameworks before seeking public feedback, Council could direct the City Manager to schedule another work session to continue discussion.
- If Council would like to solicit public feedback earlier in the process, they could direct the City Manager to prepare an ordinance, schedule a public hearing and then schedule a work session to discuss public feedback and continue discussion about the proposed frameworks.

## **RELATED CITY POLICIES**

### [Housing Implementation Pipeline](#) (HIP)

The HIP describes the need for more housing, especially housing in transportation-efficient locations, and housing affordable to a wide variety of household incomes, connecting these goals with other benefits related to climate recovery and resiliency, compact development transportation efficiency, downtown vibrancy, and fiscal sustainability. Overall housing five-year goal O-5.1 is to issue permits for the construction of 6,000 new housing units. The HIP also identified Tax Exemption Exploration as a program to be pursued during the HIP time period.

## [Climate Action Plan \(CAP\) 2.0](#)

CAP 2.0 includes multiple strategies that support the development of higher density housing particularly along transportation corridors. Smaller homes tend to have a smaller carbon footprint during construction and use, and housing units built close to transit, jobs, and other amenities allow residents to access the community using fewer trips.

## [Envision Eugene Pillars](#)

- Provide ample economic opportunities for all community members.
- Promote compact urban development and efficient transportation options.
- Protect, repair, and enhance neighborhood livability.
- Provide for adaptable, flexible, and collaborative implementation.

## [Strategic Plan Goals: Urgent Community Needs](#)

- Strategic Goal: Stabilize the cost of housing.
  - High-Impact Action: Support efforts to preserve and construct Affordable Housing units (rental and homeownership), Permanent Supportive Housing units, and Moderate-Income Housing units; includes developing local funding strategies.
  - High-Impact Actions: Develop Affordable Housing units with innovative funding strategies that specifically support protected classes' access to housing.
- Strategic Goal: Advance climate action and community resilience to natural and human-caused disasters.
  - High-Impact Action: Decrease transportation-related emissions and make the transportation network diverse and adaptable through continued implementation of the Eugene 2035 Transportation System Plan and related compact development actions in Envision Eugene.
  - High-Impact Action: Continue to implement strategies from the Climate Action Plan 2.0 to improve and enhance efficiency and resilience of buildings in Eugene, including City-owned facilities.

## **PREVIOUS COUNCIL DIRECTION**

### [November 12, 2025 Work Session](#)

At this work session, staff provided an update on the Urban Growth Strategies project, including the introduction of proposed actions to increase housing production that will be discussed at this work session.

## **COUNCIL OPTIONS**

1. Direct the City Manager to schedule a work session to continue discussion about some or all of the proposed housing production incentives before soliciting public feedback.
2. Direct the City Manager to schedule one or more public hearings on an ordinance or ordinances implementing the proposed housing production incentives and direct the City Manager to schedule a work session to continue discussion about the proposed programs

February 11, 2026 Work Session – Item 3

following the public hearing(s).

3. Take no action at this time.

### **CITY MANAGER'S RECOMMENDATION**

If Council would like to continue their discussion about some or all the proposed housing production incentives before soliciting public feedback, the City Manager recommends Option 1.

If Council would like to solicit feedback on the proposed housing production incentives before continuing their discussion, the City Manager recommends Option 2.

### **SUGGESTED MOTION for Option 1:**

Move to direct the City Manager to schedule a work session to further refine the proposed housing production incentives.

### **SUGGESTED MOTION for Option 2:**

Move to direct the City Manager to schedule a public hearing on an ordinance implementing the proposed production incentives and move to direct the City Manager to schedule a work session following the public hearing:

### **ATTACHMENTS**

- A. Housing Production Incentives: Tax Exemption Programs
- B. Housing Production Incentive: Moderate-Income Revolving Loan Fund
- C. Supplemental Information and Key Questions

### **FOR MORE INFORMATION**

Staff Contact: Amanda D'Souza, Development Programs Manager

Telephone: 541-682-5540

Staff E-Mail: [adsouza@eugene-or.gov](mailto:adsouza@eugene-or.gov)

## **Housing Production Incentives: Tax Exemption Programs**

This attachment provides a draft overview of two proposed Housing Production Incentives. Both incentives are enabled by a state law (ORS 307.600-637) that encourages transit-supportive multi-unit housing, the same law that enables the City's current Multi Unit Property Tax Exemption (MUPTe) program in downtown. The proposed programs would provide an up-to ten-year tax exemption on the property value of new housing construction, with one incentive focused on supporting moderate-income housing near transit, and the second supporting housing (including market-rate) in centers.

The proposed application processes, described for each incentive below, are modeled after the application processes for the City's two primary existing housing incentives, the MUPTe and the Low-Income Rental Housing Property Tax Exemption (LIRPHTE), both summarized here:

- **MUPTe:** The MUPTe offers a 10-year property tax exemption for new market-rate housing in Downtown Eugene. In 2024, City Council approved an Accelerated version of the MUPTe focused on incentivizing new housing in the downtown core, by offering a faster application process.
- **LIRPHTE:** The LIRPHTE offers a 20-year property tax exemption for low-income rental housing. Units must be affordable to households earning up to 60% of area median income. The tax exemption is offered City-wide and is renewable if the housing remains designated for low-income households.

The two Housing Production Incentives described below aim to increase the capacity for housing development. They are proposed to fill gaps in the City's housing programs, as no existing tax incentive programs are available for moderate income housing or for housing near transit throughout the City. Staff are seeking feedback from Council on the criteria applicable to each of the new proposed housing production incentives as described in detail below.

### **Tax Exemption for Moderate Income Housing**

***Eligible housing:*** *Rental or homeownership*

Both rental and homeownership units are needed to address Eugene's housing shortage. The need for both rental and homeownership housing units is included within the Oregon Housing Needs Assessment (OHNA) and development of new rental and home ownership housing units is outlined as a goal in the Housing Implementation Pipeline (HIP). This exemption program would not change the type of housing permitted to be built on a specific property or change any zoning regulations.

***Affordability:*** *Households earning 60-120% of Area Median Income (AMI)*

- If units are rentals, projects must offer rents affordable to households earning no more than 120% of AMI for the 10-year tax exemption period (monitored by staff).

- If units are owner-occupied, during 10-year tax exemption period, home sales prices must remain affordable to households earning no more than 120% of AMI (a covenant will be recorded on the property).

The 2026 OHNA estimates that of the 26,000 housing units needed in Eugene over the next 20 years, 6,980 are needed for moderate income households. The City currently has few tools to support the development of housing to meet this need. Moderate income housing does not qualify for typical Affordable Housing tools, which are limited to households earning up to 60% of AMI. Additionally, households earning between 60 and 120% of AMI would be ineligible for Eugene's existing Affordable Housing developments (typically for households earning up to 60% of AMI), yet many are housing cost burdened (i.e, they spend more than one-third of their income on housing). See Attachment C for more information.

***Project size: Minimum of four units or 25 units per acre density***

State statute allows local jurisdictions to determine eligible project size. Four units or 25 units per acre is consistent with the Accelerated MUPTE program. Project eligibility requirements do not preempt density standards required by code.

***Geographic boundary: Properties within one-quarter mile of transit as shown on Map A below)***

The state statute that enables the 10-year tax exemption aims to incentivize transit-oriented development. The proposed geographic area of all properties located within one-quarter mile of a fixed route transit service is the largest geography that is allowed by the state statute that enables the 10-year tax exemption. Council could choose to adjust this boundary to reduce the applicable geography.

Locating housing near transit provides a wide range of benefits to both residents and the broader community, including but not limited to:

- Transportation cost savings. Transportation is typically a household's second largest expense after housing. People who live in areas with convenient access to transit and other amenities can reduce their car dependence, reduce expenses, and have improved access to jobs, education, and services.
- Reduce traffic, congestion, and emissions. Emissions from transportation account for 53% of Eugene's local emissions. The Climate Action Plan 2.0 prioritizes compact development, including strategies to make development easier on key transit corridors to alleviate reliance on cars and reduce congestion and emissions.
- Improve transit use and frequency. Transit-oriented development increases the number of households near transit, boosting public transit use. More riders can support improved service frequency and sustainability of transit systems.

***Additional Requirements:***

- Projects cannot result in the displacement of low-income persons or destruction of historic properties.
- Housing designed or built for vacation use are ineligible.
- Ground-floor commercial space may be eligible for the tax exemption, if City Council determines it is a community benefit.

**Pilot period:** *The state statute that enables this tax exemption requires projects be completed by January 1, 2032. Staff are proposing this program as a pilot and recommend using this date as the end of the pilot period, with an update to Council after 2 years.*

**Project application process:** *Staff propose that the process used to review and evaluate applications for the Tax Exemption for Moderate Income Housing applications include the following (some of which are similar to processes utilized for LIRHPTE applications):*

- *Council decision on an application within 60 days of the date a complete application is received by the City.*
- *Application considered as Council consent agenda item.*

### **Tax Exemption for Housing in Commercial Centers**

**Affordability:** *No restrictions (market-rate)*

The OHNA estimates that Eugene needs approximately 26,000 new homes added to its housing stock over the next 20 years. Of those homes, 7,196 should be accessible to those making 120%+ of AMI, which is the income threshold typically associated with market-rate housing. Increasing the number of market-rate housing units contributes to the overall housing supply in the city and can help to ease pressure on Eugene’s constrained housing market. The only significant financial incentives the City of Eugene has to support market-rate housing are the Standard and Accelerated MUPTE, which are only available in the downtown area.

**Eligible Housing:** *Rental or homeownership*

Both rental and homeownership units are needed to address Eugene’s housing shortage. Both housing rental housing and housing for homeownership are identified as needed by the OHNA and the development of both rental and homeownership housing is outlined as a goal in the Housing Implementation Pipeline (HIP). This exemption program would not change the type of housing permitted to be built on a specific property or change any zoning regulations.

**Project size:** *Minimum of four units or 25 units per acre density*

State statute allows local jurisdictions to determine eligible project size. Four units or 25 units per acre is consistent with the Accelerated MUPTE program. Project eligibility requirements do not preempt density standards required by code.

**Geographic boundary:** *Properties located within Core Commercial Centers and the Downtown Center, as shown on Map B below (currently in draft form), where not more than ¼ mile from transit routes*

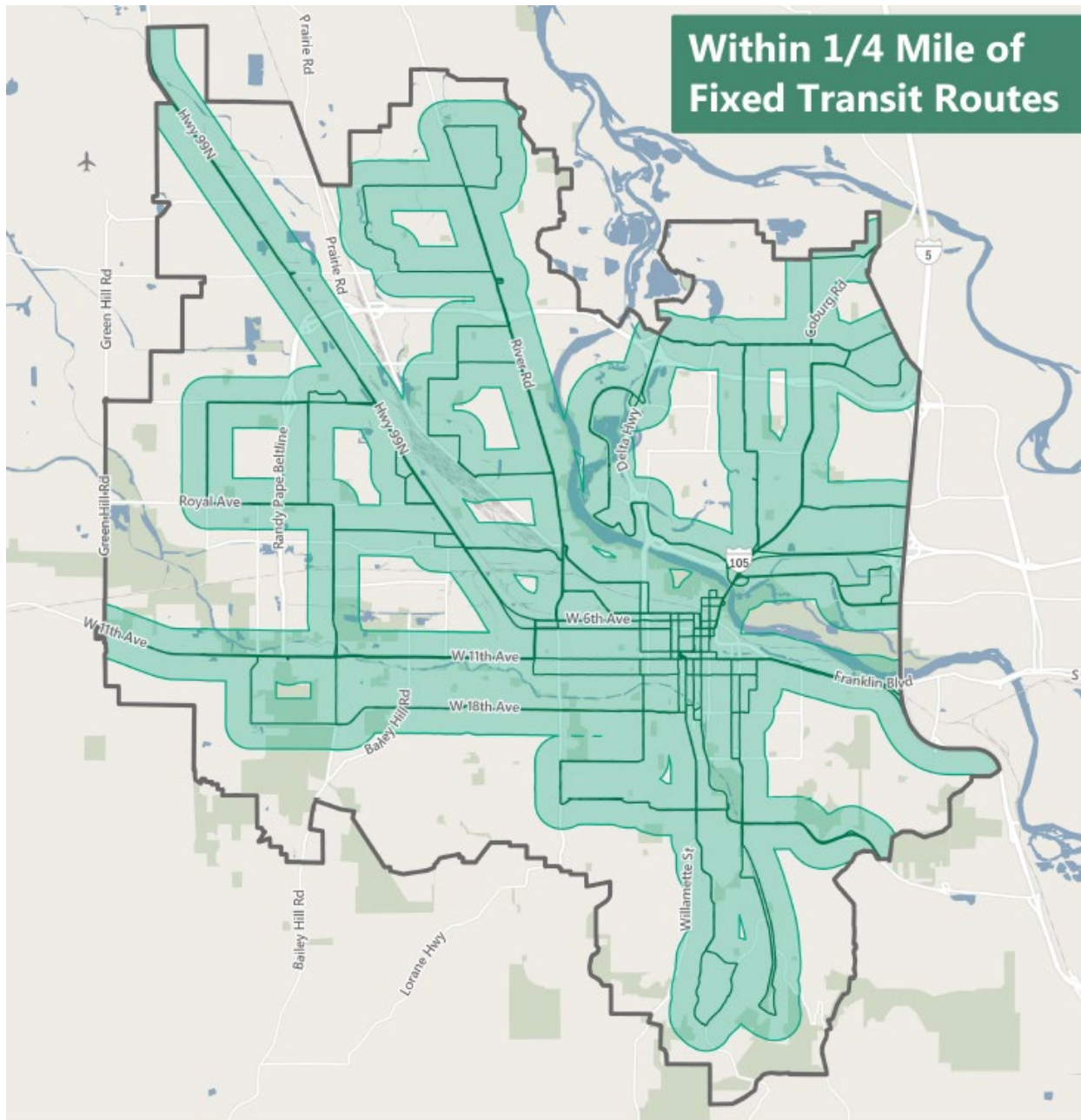
If adopted by Council, the code sections authorizing the incentive would include a map showing the geographic boundaries of the areas within which the incentive would be available. The centers shown on Map B below are intended to generally align with the centers concept discussed in new chapters of the Envision Eugene Comprehensive Plan, proposed for adoption in late 2026. The City of Eugene is planning for future growth and development in downtown, core commercial centers, and along key corridors. This approach is established through the Envision Eugene Community Vision, which was informed by years of community engagement and planning, as well as ongoing policy development and actions to support housing and compact development through Urban Growth Strategies. *Core Commercial Centers* are typically located near transit and provide convenient access to people’s daily needs, such as housing, jobs, groceries, schools, and services. The *Downtown Center* encompasses the Downtown core, Riverfront, midtown, and other high-density residential and commercial areas nearby. The Downtown core and Downtown Riverfront currently have access to MUPTE tax exemption programs. This proposed incentive would expand the geographic area eligible for tax exemption through all of the Downtown Center. Offering the incentive in Core Commercial Centers and the Downtown Center would support the creation of mixed-use centers. See Attachment C for more information.

**Pilot period:** The state statute that enables this tax exemption requires projects be completed by January 1, 2032. Staff are proposing this program as a pilot project and recommend using this date as the end of the pilot period, with an update to Council after 2 years.

**Project requirements and application process:** *Staff propose the project requirements and application process for Tax Exemption for Housing in Commercial Centers program be adapted from the Accelerated MUPTE program approved by City Council in 2024. This includes:*

- *60-day application turnaround.*
- *Council action considered as consent agenda item.*
- *Compliance with all seven public benefit criteria (Compact Urban Development, Green Building, Local Economic Impact, Historic and Existing Housing Sensitivity, Moderate-Income Housing Contribution, Project Need, Project Design and Compatibility).*
- *Staff review of application.*
- *Housing designed for students or vacation use are ineligible.*
- *Ground-floor commercial may be eligible if City Council determines it is a community benefit.*

### Map A: Proposed Boundary for Tax Exemption for Moderate Income Housing



- Eugene Urban Growth Boundary
- Lane Transit District (LTD) Fixed Route
- Within 1/4 Mile of a LTD Fixed Route

Caution: This map is illustrative and should be used for general reference only.

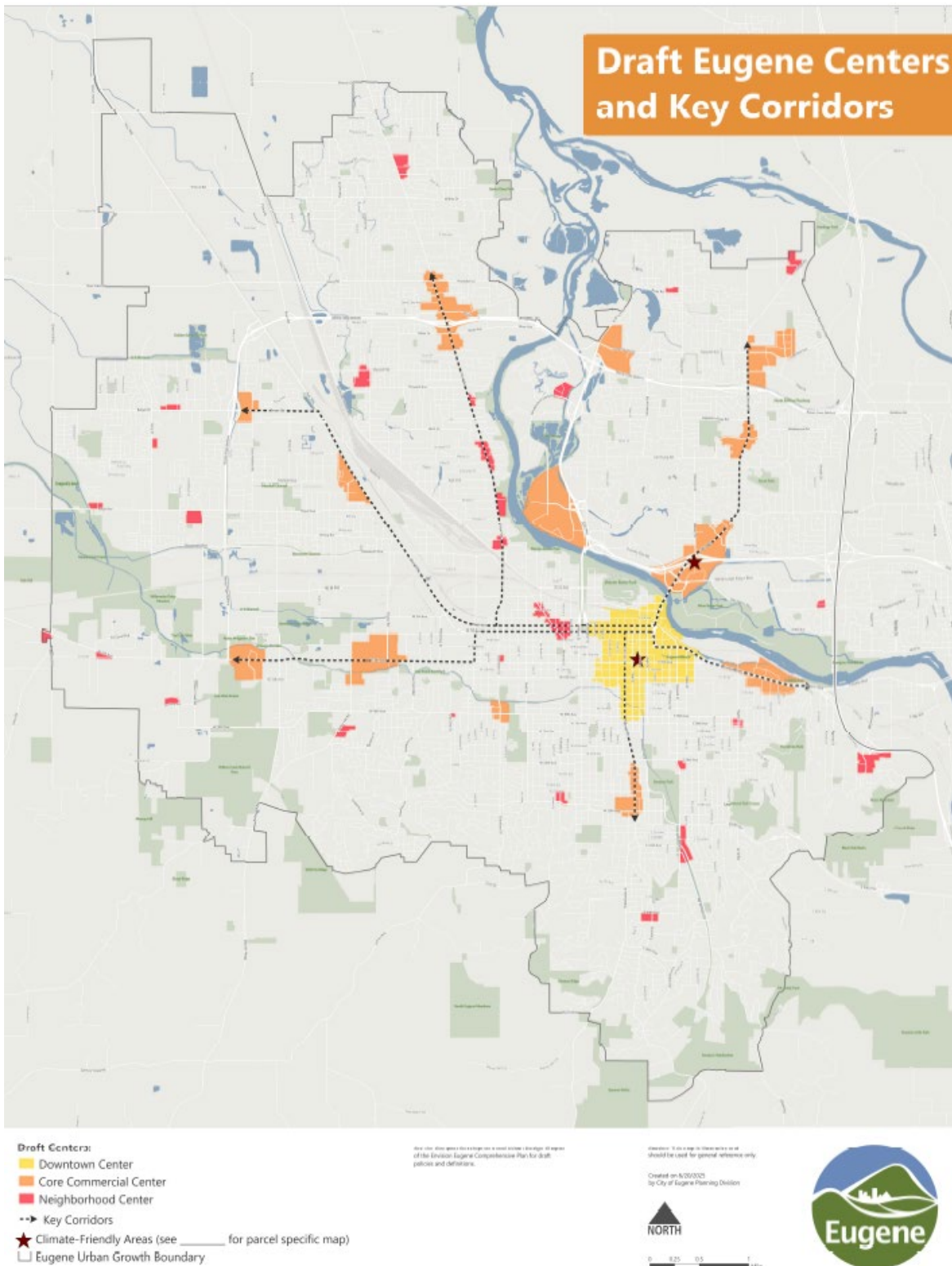
Created on 1/16/2026  
by City of Eugene Planning Division

1 Mile



**Map B: Proposed Boundary Tax Exemption for Housing in Commercial Centers**

Staff propose the boundary for the Tax Exemption for Housing in Commercial Centers include the Core Commercial Centers (orange) and Downtown Center (yellow) shown below and not more than ¼ mile of a fixed route transit line. This map is in draft format and will likely be adopted in late 2026.



## **Housing Production Incentive: Moderate Income Revolving Loan (MIRL) Fund**

The Moderate Income Revolving Loan fund (MIRL) program was established by [Senate Bill 1537](#) in the 2024 Legislative Session. The program is intended to support and expand very low, low, and moderate income housing production through a revolving loan program operated by Oregon Housing and Community Services (OHCS). The Oregon Legislature passed [Senate Bill 48 \(SB 48\)](#) in the 2025 Legislative Session, which updated some elements of the program. The Legislature is anticipated to consider another set of adjustments in the 2026 short session. This attachment provides an overview of the program, the steps needed to establish the program, and the changes the Legislature is expected to consider during the short session.

This Attachment has three sections:

- Program Basics;
- Process to Establish a Local MIRL Program; and
- Project Application Process.

### **Program Basics**

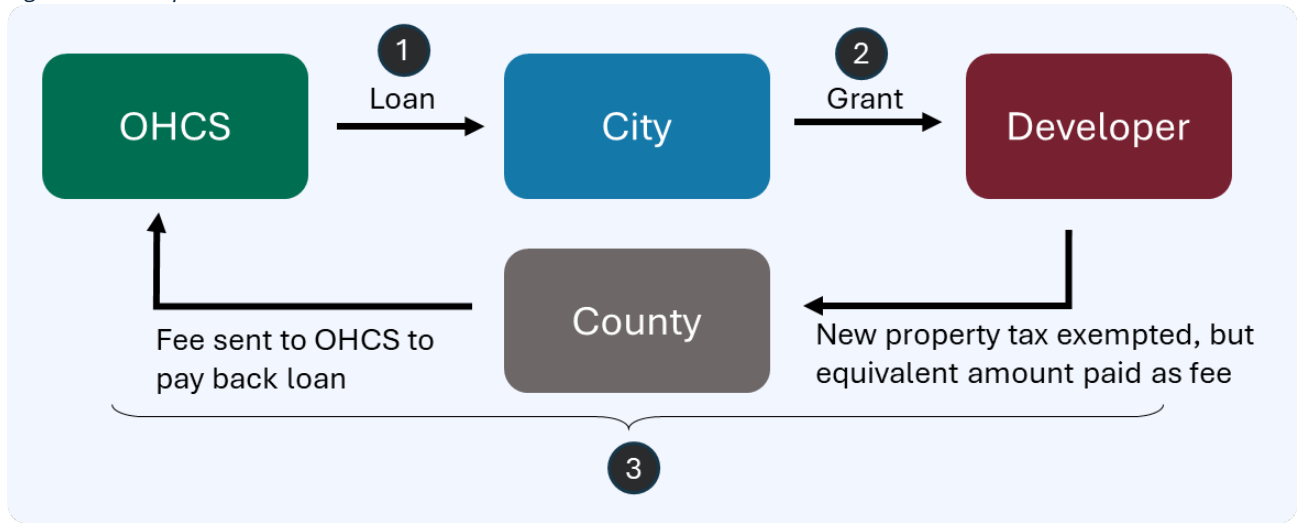
The MIRL authorizes OHCS to make no-interest loans to cities and counties (known as sponsoring jurisdictions). Cities can then grant or loan these funds to developers to support the development of new owner-occupied or rental housing units that are affordable to households earning 120% or less of the Area Median Income (AMI). Whether the City grants or loans these funds to a developer will determine which methodology must be used to repay the loan amount to OHCS. Those options are described below.

#### ***Option A: State Loan to City, City Grant to Developer – City Forgoes Property Tax Payments and Repays the State with Those Funds***

When the Legislature initially established the MIRL program, it enabled loan repayment to be funded through a division of property taxes. The process is described below and shown in Figure 1.

1. OHCS loans funds to the City.
2. City grants funds to the Developer.
3. The City's loan from OHCS is repaid through Program Fees collected by the County Assessor from the Developer. The new housing is exempted from property taxes for 10-15 years, but the Program Fee is equivalent to the exempted amount. The County then remits the collected Program Fees to OHCS. The Developer receives the grant funds upfront, and Program Fees are used to repay OHCS and the City and other taxing districts forgo any new tax revenue during the period of the exemption. If, at the end of the repayment period, the Program Fees paid by the Developer have not entirely repaid the loan, the City will be responsible for repaying the difference to OHCS.

Figure 1. MIRL Option A Process

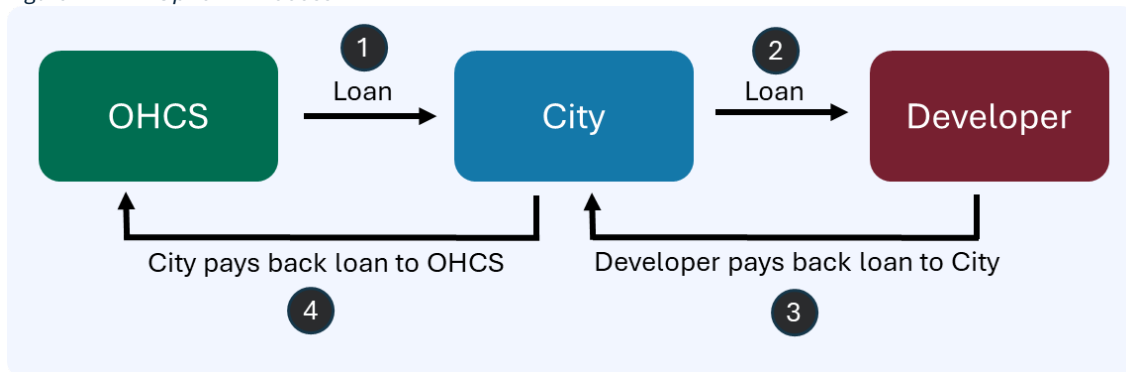


**Option B: State Loan to City, City Loan to Developer – Developer Repays City, City Repays State**

An alternative method of loan repayment was introduced by SB 48 in the 2025 legislative session. Under Option B, the City can repay the loan to OHCS through alternative sources of revenue without relying on property tax. Under this Option, the City would provide the funding to the Developer as a loan. The Alternative Funding Source option is described below and shown in Figure 2.

1. OHCS loans funds to the City.
2. City loans funds to the Developer.
3. The Developer pays the loan back to the City.<sup>1</sup>
4. The City pays the loan back to OHCS.

Figure 2. MIRL Option B Process



<sup>1</sup> SB 48 allows the City to select its repayment source. Examples provided include the jurisdiction’s General Fund, other taxing revenue (e.g., tax increment), rental revenue, or other revenue sources that can be pledged.

### Eligible Projects and Costs

State statutes outline eligibility requirements for projects including:

- Both owner-occupied and rental developments are eligible.
- Affordable to households earning up to 120% of Area Median Income (local jurisdictions can set lower affordability thresholds).
- New construction and conversions are eligible.
- Housing generally must be middle housing or multi-unit dwellings. Single-family dwellings can be eligible if offered for homeownership.

Local jurisdictions can also establish additional criteria when setting up the program. Eligible uses for funding include infrastructure costs, predevelopment costs, construction costs, and land write-downs.

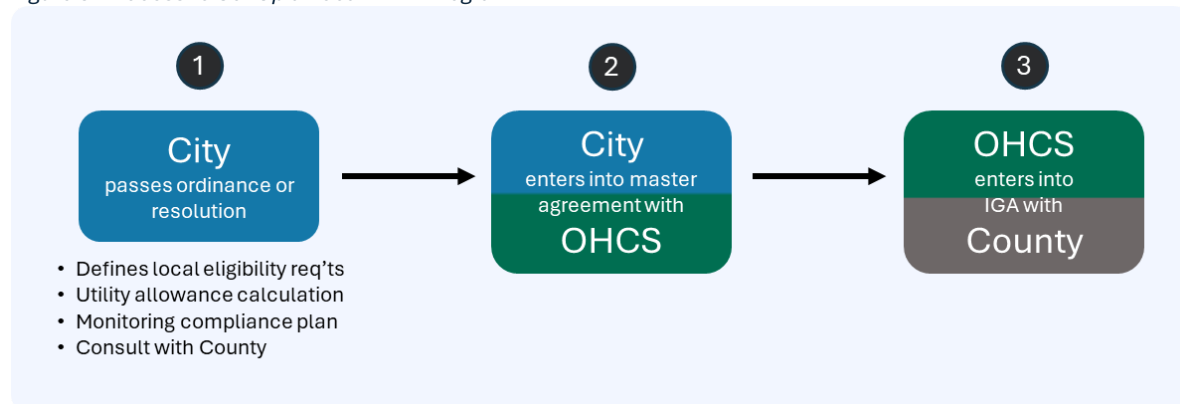
The program allows the City to keep 5% of the loan value for administrative costs. The County gets 1% of the value of the loan.

### Process to Establish a Local MIRL Program

To establish a MIRL program, City Council would need to pass a resolution or ordinance and enter into two intergovernmental agreements, described below and in Figure 3.

1. The City must pass an ordinance or resolution establishing the program. This should include local eligibility requirements for participation in the program (including affordability, housing type, any other local requirements), a utility allowance calculation methodology, and a compliance monitoring plan. The City of Eugene typically establishes programs like this through an ordinance, which would require a public hearing before action.
2. The City would then enter into a master agreement with OHCS. This would include the legal agreements and templates required for approved projects.
3. OHCS would enter into an Intergovernmental Agreement with the County. The County Tax Assessor is responsible for determining the maximum loan amount (based on the projected new taxable value).

Figure 3. Process to Set Up a Local MIRL Program

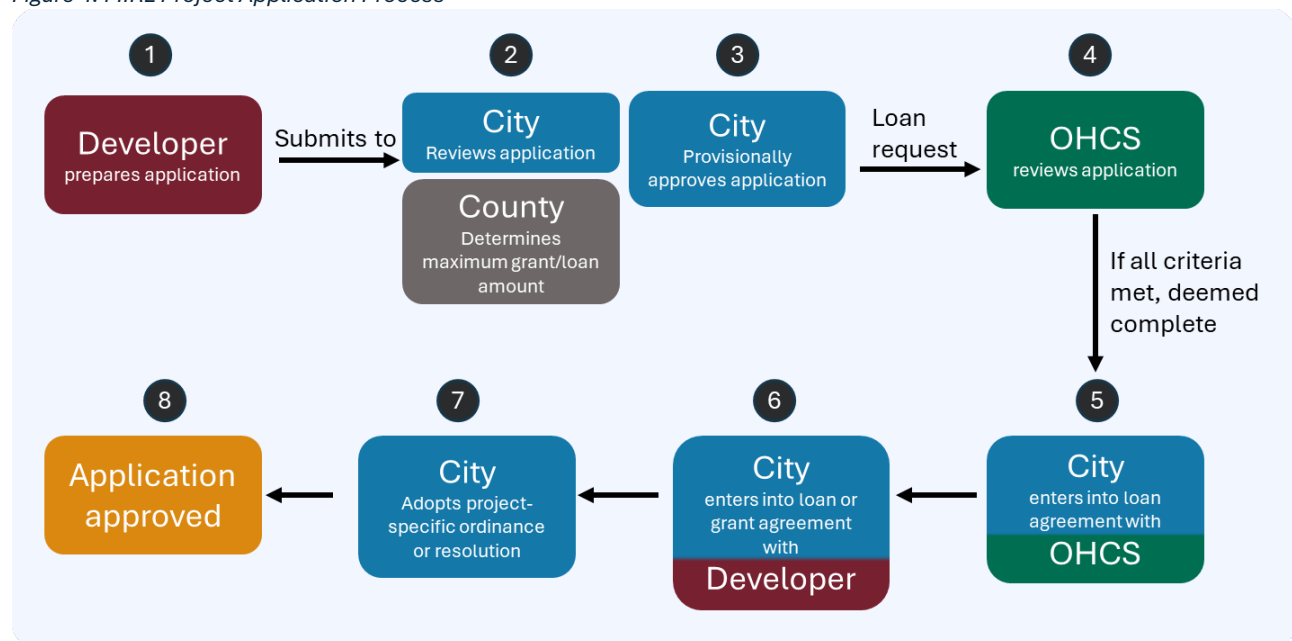


## Project Application Process

Once a jurisdiction sets up a MIRL process, it can begin to accept applications. The state statutes outline the application process, which requires both City and OHCS approval for each development project as well as project-specific agreements. The application process is described below and shown in Figure 4.

1. The Developer submits application to the City, which includes an appraisal, a financial pro forma, an environmental assessment, proof of site control, Fair Housing market plan, etc.
2. Within 90 days, City staff review the application, and the County Tax Assessor calculates the estimated new tax value after development and determines the maximum grant/loan amount.
3. Provided the application meets local eligibility requirements, the City provisionally approves the application and makes a loan request to OHCS.
4. OHCS reviews the application for funding availability and completeness.
5. If all criteria are met and the application is deemed complete, the City enters into a loan agreement with OHCS.
6. City enters into a loan or grant agreement with the Developer.
7. City Council adopts a project-specific ordinance or resolution.
8. Application approved and funds disbursed.

Figure 4. MIRL Project Application Process



## **Risk Assessment and Upcoming Legislation**

As the borrower of funds from OHCS, the City would be obligated to fulfill the debt obligation. As described above, in order to offer MIRL funds to a Developer, the City would first need to borrow the funds from OHCS as a loan, and the Developer is responsible for paying the loan back through the options described above. However, the City pledges its full faith and credit when it borrows money from another entity; the City would ultimately be the entity that is liable to repay the loan to the State.

Staff have been working to think about what happens in the scenario where a Developer is unable to make payments and the City is not able fully recapture the value of the principal from the security. If that were to happen, the City would have to continue making payments to the State without collecting the Developer's payments, under both Options A and B.

When the MIRL was established in 2024, the only payment method was Option A (City Forgoes Tax Payments). Under this option, if a Developer were to stop paying program fees (the equivalent of property tax payments) the City would only be able to rely on the County Tax Assessor's delinquent collections processes. In 2025, the State Legislature passed SB 48, which introduced alternative payment options (Option B), allowing the City to provide the MIRL funds to the Developer as a loan. This would mean the City would be able to take a position on the real property and have a lien on that property, helping to mitigate some of the risk the City takes on when borrowing the funds from OHCS. However, the language in SB 48 requires that the City take first position on a property. This would make it challenging for a Developer to secure private lending for their project, as most lenders require being in first position, and would likely make the MIRL a less effective tool.

As of this writing, there is draft legislation that staff anticipate the State Legislature will consider in the 2026 short session which would allow the City to secure a MIRL loan by taking a position on the property but to take a position that is lower than first position. This would make the program more effective for a Developer while allowing the City to choose the implementation Option B that mitigates some of the risk.

## Supplemental Information and Key Questions

This attachment provides supplemental information for the Housing Production Incentives material. It provides data and policy background on the proposed Housing Production Incentives described in the Agenda Item Summary and Attachments A and B.

### 1. What is the current housing need in Eugene?

As part of House Bill 2021 (2023), the State allocates a 20-year housing need to each local government. According to the [2026 Oregon Housing Needs Analysis](#) (OHNA), Eugene needs 26,000 new homes in the next 20 years to accommodate expected growth and fulfill the current shortage of housing. See Figure 1 for an overview of what the need is per household income.

*Figure 1. Eugene 20-Year Housing Need, by Area Median Income (AMI) level*

Willamette Valley Region	0-30% AMI	30-60% AMI	60-80% AMI	80-120% AMI	>120% AMI	20-Year Total Needed Units
Eugene UGB (2026)	6,764	5,003	2,729	4,251	7,196	25,944

Source: Oregon Housing Needs Analysis, January 2026

### 2. How will property tax exemptions help with building more housing?

Property tax exemptions are an important tool the City utilizes to promote development of housing that serves community interest. The intent of a tax exemption is to lower the operating costs in the early years of a housing development so it becomes financially feasible, without the direct allocation of funds. The City has limited funding available to support income-qualified Affordable Housing.

In a housing market like Eugene, market rents are lower than in larger metropolitan areas, but the cost of construction is as high. This makes these projects less feasible. This is also particularly true for housing offered to moderate or low-income households, which generate even less rental income.

Currently, housing developers can apply for a Low-Income Rental Housing Property Tax Exemption (LIRHPTE), which is authorized by the State to create Affordable Housing for residents earning up to 60% of Area Median Income (AMI). In the downtown area, developers can apply for a Multi-Unit Property Tax Exemption (MUPTE), a state-enabled program that helps make multi-unit market-rate housing projects in the urban core financially feasible.

In 2024, the consulting firm EConorthwest conducted a [redevelopment analysis](#) of Eugene's key corridors and centers, and found that a 10-year property tax exemption offered more broadly for market-rate multi-unit development could increase the feasibility of higher-density, multi-unit development in some areas.<sup>1</sup> The viability of the tax exemption depended greatly on current land values and possible market-rate rents.

<sup>1</sup> Redevelopment Analysis for Eugene Urban Growth Strategies. (2025, May). EConorthwest.

### 3. Why focus on moderate income housing?

Eugene is a severely rent burdened city. The population of Eugene (based on 2023 data) is around 177,000 people, with over 38,000 renter households. 12,000 of those renter households are living as severely rent burdened, spending more than 50% of their income on housing costs.<sup>2</sup> This means roughly a third of the Eugene renter population spends over half their income on housing costs. Overall, 62% of Eugene renters experience some level of rent cost burden (spending at least 30% of their income on rental costs).<sup>3</sup> With a rental vacancy rate (3%) far below the national average (5.5%), this shortage drives up costs and disproportionately impacts low- and moderate-income families.<sup>4</sup>

As described in Question 1, Eugene needs to increase annual housing production by about 70% and add approximately 26,000 housing units over the next 10 years to accommodate population growth, address decades of underproduction, as well as meet the needs of people experiencing homelessness. Of those, **6,980 housing units are needed for moderate income households** (those earning between 60-120% of AMI).

Households with moderate incomes are ineligible for typical Affordable Housing developments, which usually are only available to households earning no more than 60% of AMI, yet many are housing cost burdened, which means a household spends more than 1/3 of their income on housing. High housing costs limit spending on essentials such as childcare, healthcare, and education. This also reduces disposable income for local goods and services, impacting Eugene's economy. Moderate income housing also supports workforce stability for those in moderate income careers (for example teachers, healthcare workers, and service employees) which are critical to Eugene's economy but struggle to find affordable housing locally. Without intervention, these workers face long commutes or relocation, weakening community resilience. Furthermore, stable housing reduces stress, improves educational outcomes, and strengthens neighborhoods. Finally, cost burden disproportionately affects communities of color, deepening economic inequities.

### 4. Why incentivize market-rate housing?

Eugene needs approximately 26,000 new homes added to the housing stock over the next 20 years. Of those homes, **7,196 should be accessible to those making 120%+ AMI** which is the income threshold typically associated with market rate housing. Increasing market rate housing developments contributes to the overall housing supply and can help to ease pressure on Eugene's constrained housing market.

To achieve 26,000 new homes in 20 years, we need to see an increase of approximately 1,600 new housing units per year. Right now, Eugene is averaging about 965 new units per year. We also expect the next few years to bring a more challenging market environment – with rising costs, interest rates, and shifting demands – which makes this an even steeper hill to climb. Eugene needs new housing units across all income levels, and the market on

<sup>2</sup> 2019-2023 American Community Survey 5-Year Estimates, Table B25070 and PSU Certified Population Estimates as of July 1, 2024

<sup>3</sup> U.S. Census American Community Survey 1 Year Estimates, Tables B25070, B25091, B25064

<sup>4</sup> United States Census Bureau, American Community Survey (ACS) 2022 5 year estimates

its own is not going to deliver the supply needed without assistance helping to overcome those market challenges. The proposed Tax Exemption for Housing in Core Commercial Centers aims to specifically spur the production of dense, transit-oriented market-rate housing developments that will help make progress toward our housing goals, while achieving other community goals.

### **5. Why incentivize housing development near transit?**

Co-locating housing near transit has a wide range of benefits to both residents and the broader community, including but not limited to:

- Transportation cost savings. Transportation is typically a household's second largest expense after housing. People who live in areas with convenient access to transit and other amenities can reduce their car dependence, save money, and improve access to jobs, education, and services.
- Reduce traffic, congestion, and emissions. Emissions from transportation account for 53% of Eugene's local emissions. The [Climate Action Plan 2.0](#) prioritizes compact development, including strategies to make development easier on key transit corridors to alleviate reliance on cars and reduce congestion and emissions.
- Improve transit use and frequency. Transit-oriented development increases the number of households near transit, boosting public transit use. More riders can support improved service frequency and sustainability of transit systems.

### **6. Why focus the market-rate tax exemption specifically in Core Commercial and Downtown Centers?**

The City of Eugene is planning for future growth and development in downtown, core commercial centers, and along key corridors. This approach is established through the Envision Eugene Community Vision, which was informed by years of community engagement and planning, as well as ongoing policy development and actions to support housing and compact development through Urban Growth Strategies.

Mixed use centers are typically located near transit and provide convenient access to people's daily needs, like housing, jobs, groceries, schools, and services. Centers play a crucial role in reducing people's dependence on cars - by keeping goods and services close together.

Building more housing in and near mixed use centers:

- Supports economic resilience, boosting foot traffic for shops and services.
- Encourages compact, efficient development.

Staff have identified draft centers that are proposed for City Council adoption in 2026. A [draft centers map is available here](#).

**Core Commercial Centers** are primarily zoned C-2 Community Commercial. C-2 is one of the most flexible zones for multi-unit housing development, but today is rarely used outside of student-oriented housing and Affordable Housing.

The **Downtown Center** encompasses the downtown core, riverfront, midtown, and other high-density residential and commercial areas nearby. The downtown core and downtown riverfront currently have access to MUPTE tax exemption programs. This proposed incentive would expand the geographic area eligible for tax exemption through all of the downtown center.

The previously mentioned redevelopment analysis (in Question 2) considered a number of areas within the downtown center and core commercial centers. Notably, the commercial centers near Lower Coburg Road, Valley River Center, West 11<sup>th</sup> Avenue, and Greater Downtown have “high” housing development potential if additional incentives (such as a ten-year property tax exemption) are implemented in those areas. The Midtown center could also see a large impact from a new tax exemption in this area. The housing development potential of Midtown could increase from a “very low” up to “moderate”. Midtown is a desirable location for higher-density housing and walkable commercial development but would benefit from incentives because the existing property values are relatively high, and properties are small. For larger scale development in this area developers would need to aggregate multiple properties.

### **7. Why focus on building housing in C-2?**

The C-2 Community Commercial zone is a flexible zone and can accommodate significant multi-unit development. It is not regulated by residential density, which allows for taller, denser buildings. C-2 is a mixed-use zone that is located primarily on transit corridors and centers. It covers larger parcels, at least 5 acres and not more than 40 acres making them ideal for sizable multi-unit developments.

Building housing in commercial centers creates vibrant, mixed-use areas where people can live, shop, and access services in one place. This approach aligns with Oregon’s statewide planning goals and reflects priorities expressed by Eugene residents during community outreach for Urban Growth Strategies.

There has been very little housing development in C-2 zones in recent years especially 2020 to 2024. A review of multi-unit housing development in C-2 over a 12-year period (2013-2024), revealed that, outside of current MUPTE boundary (and not including student-oriented housing and subsidized Affordable Housing), multi-unit housing development in C-2 has been minimal, averaging only 24.5 units per year. Typical market-rate housing has not yet been broadly successful in one of Eugene’s most flexible and permissive zones, highlighting the need for housing development incentives.

### **8. Why include the Downtown Center?**

Building housing downtown has all the benefits of building in a core commercial center but with the increased cost of building in an already compact area. Limited space makes downtown projects significantly more expensive than in less compact areas of the city. Providing a tax incentive to build in this area can help to offset the increased cost of developing that are caused by higher land prices, elevated construction costs, and construction complexities.

Currently, the Standard and Accelerated Multi-Unit Property Tax Exemptions (MUPTe) are available in the greater Downtown area and the Downtown core.

**9. How will the City continue to encourage investment and building in Downtown if it is incentivizing housing outside of Downtown?**

Eugene's full housing need will not be met just by building more housing downtown. More housing will need to be built throughout the City. The proposed Housing Production Incentives aim to build on the existing housing tools we have to help move the dial.

The draft Downtown Center identified in Question 6 encompasses the geographic boundaries of the Standard and Accelerated MUPTe programs and expands beyond those boundaries. Additionally, in order to continue encouraging more downtown housing development, the City and its Urban Renewal Agency offer other tools that would not be available throughout the City. This includes Downtown Fee Assistance (payment of development-related government-imposed fees, such as systems development charges and permits) and land acquisition/disposition.