

Update on Housing in Eugene and Springfield

“The piece that I maybe took for granted and I didn’t do a lot of homework on was the availability of housing at all levels. I by charter have to live in the city limits so that leaves a smaller footprint than most, and so it’s been a challenging market. There’s not a lot of inventory, and the inventory that’s out there is ambitiously priced. So we’re trying to be thoughtful to find something that meets family needs without stressing us too much financially. That’s been a challenge, and we’re still renting right now.”

Chris Skinner, Eugene Chief of Police 11/2/18 The Register-Guard

Our local League’s interest in housing issues goes back decades. We have long favored increasing the density of development within urban services boundaries and providing a mix of housing types and prices in all neighborhoods, subject to design and planning guidelines. Our advocacy position, last updated in 1991, specifically supports duplexes, fourplexes, condominiums and quads or apartment buildings in all areas -- structures among those now dubbed Missing Middle housing. (The complete Housing position is available on our web page, lwvlc.org.) This report is an update on current initiatives on housing and homelessness and builds on information in previous studies in 2017 and 2018.

Missing Middle Housing in Eugene

In 2010, architect and urban designer Daniel Parolek coined the term Missing Middle to define smaller multi-family or clustered housing types. Missing Middle buildings were common within most single-family neighborhoods in the era before World War II, but for the last 70 years, they have been missing from most city’s neighborhood patterns as development focused on single-family housing and larger multifamily structures.

A conversation is starting about the Missing Middle in Eugene. Missing Middle refers to duplexes, fourplexes, bungalow courts, secondary dwelling units and small apartment buildings that are tucked into neighborhoods where they match the scale of existing buildings.

With much of Eugene’s housing stock developed between the 1950s and 1980s, many neighborhoods lack options. Residents must choose between single family homes or apartments. With the community’s population growing and aging, Missing Middle infill in walkable areas and near key transit corridors fulfills many goals articulated through the Envision Eugene planning process:

- Provide housing affordable to all income levels
- Plan for climate change and energy resiliency
- Promote compact urban development and efficient transportation options
- Protect, repair, and enhance neighborhood livability

Missing Middle developments have the potential to supply diverse housing options as both rental and owner-occupied dwellings along a spectrum of affordability in areas with high walkability. They also respond to shifting demographics. Nationally and locally the population is getting older, households are smaller, and family types are more diverse than in previous decades.

The characteristics of Missing Middle housing developments include:

- Construction within an existing or newly developed walkable context of housing, amenities and transit.

- Increased density to a minimum of 16 dwelling units per acre so that supportive transit, retail and other amenities become viable.
- Off-street parking needs reduced to a minimum, that is, one space per unit at most in order to create the best site plans and functional green space.
- Smaller, well-designed units and sites with comfortable and usable living spaces. Missing Middle types are not large suburban houses scaled down.

Barriers to Missing Middle Housing in Eugene

The current single-family zone (R-1) does not allow most Missing Middle types as an outright permitted use of the land. There are exceptions for accessory dwelling units (ADUs), which are allowed on lots that meet the standards for development, and duplexes are allowed on corner lots. However, the existing City of Eugene standards for ADUs are considered much too restrictive by housing advocates due to parking and owner occupancy requirements plus height and design restrictions.

All the Missing Middle housing types are allowed in multi-family zones (with the exception of ADUs) if they meet minimum density standards. But Oregon liability law for faulty construction of condominiums (that is, owner-occupied multi-family) is viewed as onerous by developers due to increased insurance cost and higher risk to the developer.

Another barrier is the systems development charges imposed on new development to help pay for expanded infrastructure for streets, wastewater, stormwater, and parks because the calculation of such fees is not scaled to the size or impact of what's built.

Housing Tools and Strategies Working Group

The City of Eugene established the Housing Tools and Strategies Working Group in response to Council direction to suggest, evaluate and recommend possible strategies and tools to address the barriers to constructing more housing that is affordable for households across the income spectrum. The working group was composed of 36 community stakeholders with various interests in housing. The group generated and considered more than 80 possible options to address housing affordability, availability, and diversity. It approved more than 30 of these options and recommended them to the Council in December, with most of the recommended items receiving majorities in excess of 80 percent. The Council did not take any action on the recommendations at that time. Several of the working group's recommendations are briefly summarized below, grouped by issues or approaches that are discussed elsewhere in this report.

1) Accessory Dwelling Units

The working group recommended revisions to the land use code to encourage ADUs in all single-family zones and also the creation of pre-approved ADU plans for different styles and sizes, thereby reducing time and cost for individual property owners who would like to build an ADU.

2) Missing Middle Housing

The group also supported revisions of the land use code to allow for development of more diverse Missing Middle housing types. The group focused this recommendation on six key corridors in Eugene: Highway 99, River Road, Coburg Road, South Willamette Street, Franklin Boulevard, and West 11th Avenue. Recommended revisions to the land use code along key corridors include enabling more multi-family development, creating a key corridor overlay with design standards which allow multi-family development on all key corridors, and enabling by-right housing options. (The term indicates that the particular use is permitted within a zoning

category and may go straight to building permit without an extra application or appeal.) If implemented, these recommendations could allow Missing Middle and/or multi-family housing to be developed on some land now zoned for single-family housing.

3) Systems Development Charges (SDCs)

The group overwhelmingly approved the option to delay collection of SDCs (roads, sewer, and power installations) until the housing has an occupancy permit. There was also support for adjusting SDCs for smaller and lower cost units and for adjusting SDCs for multi-family developments along key corridors. However, the concern was expressed that such waivers or reductions of SDCs could reduce the resources available to extend infrastructure needed to allow new developments.

4) Revenue for Affordable Housing

The identification of new revenue sources for affordable housing units was supported by over 90 percent of the participants, but none of the specific possible sources had that level of support. The most favored with 82 percent support was the issuance of local government bonds repaid with property taxes. This source has the advantage of being paid by the broad community but the disadvantage of increasing taxes. Charging a construction excise tax, including a version that had some relief for smaller or less costly homes, received two thirds majority support, but some participants questioned the taxation of just one industry. The option to shift funding from the city's general fund was barely approved due to probable cuts in funding for other city services.

5) Homeless Shelter and Temporary Housing

Participants strongly recommended that the city develop a homeless shelter and allow for more types of temporary housing (for example, Opportunity Village a low-cost, micro-housing project on city-owned property). This recommendation speaks to a community problem but isn't a direct response to the working group's direction because these types of beds and facilities do not meet the HUD definition of "housing" and would not help meet the housing unit needs outlined in an urban growth boundary analysis.

6) Other

A recommendation was approved to encourage more participation in city-sanctioned neighborhood associations so that they are more representative of the people living in the neighborhood.

The Impact of LUBA Appeals on Local Housing

Better Housing Together, a local housing advocacy group, released a research report examining how appeals to the Oregon Land Use Board of Appeals (LUBA) impact Eugene-Springfield housing supply and affordability. The research was conducted by the Oregon Law Center, which reviewed appeals filed between 2000 and 2018. Appeals to LUBA are either filed by a developer whose application was denied by a city or by a neighbor or neighborhood group opposed to housing that was approved by a city.

Some of the findings and conclusions are:

- Appeals brought by neighbors impacted 1,488 housing units; 815 were delayed by the process but eventually built, and 673 units were never built.
- When a housing project is delayed by process but eventually built, the outcome is either a lower-quality project or a higher-cost project, neither of which help efforts to improve quality and affordability.

- Ninety-six percent of the housing units delayed by appeal (but eventually built) were delayed by unsuccessful neighbor appeals.
- Since 2000, none of the appeals filed by neighbors resulted in LUBA reversing the city’s approval.

This research quantifies some of the long-term community-wide impacts that result from opposition to housing proposals at the neighborhood level.

The Affordability Problem

According to the U.S. Department of Housing and Urban Development (HUD), “Families who pay more than 30 percent of their income for housing are considered cost burdened and may have difficulty affording necessities such as food, clothing, transportation, and medical care. Nationwide, an estimated 12 million renter and homeowner households now pay more than 50 percent of their annual incomes for housing. A family with one full-time worker earning the minimum wage cannot afford the local fair-market rent for a two-bedroom apartment anywhere in the United States.

The Lane County housing affordability problem is illustrated with these figures from HUD:

Monthly Cost for Basic Necessities for Lane County in 2016

Single Adults

\$561 on housing = 30.5% of income

\$177 on food

\$346 on transportation

\$196 on health care

\$55 on technology

\$167 on miscellaneous

\$332 on taxes

\$1,834/month @ \$11/hour

\$22,008 ANNUAL TOTAL

2 Adults, 1 Infant, 1 Preschooler

\$909 on housing = 17.5% of income

\$586 on food

\$692 on transportation

\$728 on health care

\$75 on technology

\$470 on miscellaneous

\$729 on taxes

\$983 on childcare + housing = 36.5% of income

\$5,172/month @ \$31.03/hour with 2 people working

\$62,064 ANNUAL TOTAL

Providing Affordable Housing

The term “affordable housing” as used in this and the following section of this material refers to housing with regulated rent that is reserved for households with low incomes. The development of this form of housing is directly subsidized to bridge the difference between developments costs and rents.

Eugene and Springfield each receive an annual entitlement allocation of Community Development Block Grant (CDBG) funds directly from HUD. The City of Eugene also receives HOME Investment Partnerships Program (HOME) funds from HUD on behalf of the Eugene-Springfield HOME Consortium. The City of Eugene is the lead agency in the HOME Consortium.

City programs are guided through the Eugene-Springfield Consolidated Plan. Below are brief descriptions of the programs that help create and maintain affordable housing in our community.

It’s important to note that the cities do not own, operate, build, or manage housing. Instead, the cities collaborate with non-profit and other partners to assess the cities’ housing needs, choose the best solutions to efficiently meet them and identify how to pay for them. Other city roles

include allocating funds (federal, local and private) toward housing solutions in our community and supporting programs that help low-income residents find, rent, buy, retain and repair their homes.

The Eugene-Springfield Consolidated Plan for Housing and Community Development

City programs are guided through the Eugene-Springfield Consolidated Plan for use of HUD funds, which has identified four strategies to increase access to affordable housing for Eugene and Springfield residents including: 1) Increase the supply of affordable housing; 2) Rehabilitate existing housing stock affordable to low-income persons; 3) Provide down-payment assistance for homeownership; and 4) Remove barriers to affordable and supportive housing. Below are brief descriptions of the programs that help create and maintain affordable housing in our community:

- Increasing Lane County's supply of affordable housing with the construction of The Myrtlewood in Springfield, which opened in October last year. Its 35 units for low-income households include eight that target developmentally disabled persons. The four-story apartment complex east of downtown was built by St. Vincent de Paul. Eligible residents were picked from a waiting list of more than 300 people.
- Purchasing of River Road Apartments and Youth House, which created 17 units of affordable housing, four units for persons with HIV/AIDS and 13 units for homeless youth aged 16-18. Other projects with 54 affordable housing units are underway, including The Monroe, a six-unit apartment building in the Whiteaker neighborhood for veterans and Market District Commons in downtown Eugene, with 49 units for low-income households, with 10 of the units targeted for homeless veterans. Both the cities of Eugene and Springfield are acquiring property to land bank for future development of affordable housing.
- Rehabilitating existing homes through the Eugene Emergency Home Repair Program, which assisted 24 households, with 13 homes occupied by people with disabilities and 17 by elderly persons. The Springfield Emergency Home Repair Program provided assistance to 64 households, with 48 homes occupied by the elderly.
- Providing down-payment assistance through the Springfield Home Ownership Program, which provided zero percent interest, deferred loans to eight low-income homeowners. Due to local market conditions the Eugene Homebuyer Assistance Program was suspended in 2017 because low-income purchasers could not find units that were both affordable and met the CDBG quality requirements.
- Removing barriers to affordable housing include a hotline for fair housing questions and complaints.

Public Shelter Feasibility Study

Lane County in collaboration with the city of Eugene has hired Technical Assistance Collaborative (TAC) to conduct a public shelter feasibility study. TAC will provide a comprehensive assessment of the current homeless service system within Lane County including resource capacity and gaps within various system components and will deliver its final report in early 2019.

According to its preliminary report, the unsheltered population in Lane County is very visible and comparisons indicate it is significantly higher than in many other similar communities. Compared to the State of Oregon, City of Portland, City of Salem and Multnomah County, Lane County has a higher rate of poverty, a larger population of elders as well as those under 65 who have a disability and a higher unemployment rate. While the number of homeless veterans—sheltered

and unsheltered--has generally trended downwards over the last ten years, the number of unsheltered, chronically homeless, single adults with disabling conditions has generally increased.

TAC's preliminary recommendation is that the county expand permanent Housing First-oriented shelter beds. (Housing First is an approach to quickly and successfully connect individuals and families experiencing homelessness to permanent housing without preconditions and barriers to entry, such as sobriety, treatment or service participation requirements.) TAC's modeling suggests that between 50 and 75 beds would be impactful, but any new shelters should implement a Housing First orientation including immediate and easy access, housing-focused services, rapid exits to permanent and permanent supportive housing, and measurement of outcomes to improve performance.

In keeping with the preliminary recommendations, Lane County is making available \$1.5 million in grants to public or private developers for supportive housing projects. These beds would provide homeless individuals with not only a place to sleep but drug and alcohol treatment, job training, and other support services. The funding comes from a one-time pool of timber subsidies received from the federal government.

In October 2018 Lane County and the City of Eugene agreed to collaborate on providing a temporary homeless camp on county-owned land along Highway 99 across the street from the St. Vincent de Paul Lindholm Center that provides meals, showers, and laundry facilities. In December, in recognition of the need for more oversight of the encampment, which had grown to 100 people living in individually-owned tents, a transition management plan was approved that included a shift of location to two nearby properties. Under the new arrangement St Vincent de Paul will manage both locations through the end of the winter.

In a major change from prior approaches, a "dawn to dawn" model will be utilized, meaning that homeless people can stay at the camping sites during the day. One location will accommodate 80 homeless people sleeping in large heated tents. The other will accommodate 20 people staying in their own tents both night and day on the property near the Lindholm Center.

Although advocates for the homeless have urged the building of a local public shelter for some time, a recent decision by the Ninth U.S. Circuit Court of Appeals has elevated the issue. The ruling found that city ordinances that punish homeless people for camping or sleeping outdoors when they have nowhere else to go violates the U.S. Constitution prohibitions against cruel and unusual punishment.

Low-Income Housing in Lane County

The chart on the following page shows the major low-income housing that is available in Lane County.

MAJOR LOW-INCOME HOUSING PROVIDERS IN LANE COUNTY

----ST. VINCENT DE PAUL----	----HOMES FOR GOOD----	---CORNERSTONE HOUSING---
Income Requirement:	Income Requirement:	Income Requirement:
< 50% of Area Median Income	<\$22,450 Single, <\$51,300 family of 4	<22,450 single/<\$38,460 family of 4
<u>EUGENE (# of Units)</u>	<u>EUGENE (# of Units)</u>	<u>EUGENE (# of Units)</u>
Ross Lane (36)	Firewood Apt. (90)	West Town (102)
Bascom Village (54)	Village Oaks (67)	Prairie View (64)
Stellar Apt. (54)	Richardson Bridge (31)	Willakenzie Crossing (56)
Lamb Building (35)	Laurel Gardens (41)	Green Leaf Village (34)
Santa Clara Place (60)	Parkview Terrace (150)	Oak Leaf Apt. (14)
Garfield Apts. (28)	Abbie Lane (25)	Apple Orchard (50)
Aurora Bld. (50)	Sheldon Village (78)	Delta Court (8)
Lamplighter Apt. (15)	Fourteen Pine (65)	<u>SPRINGFIELD (# of Units)</u>
South Hilyard Terrace (22)	Willakenzie Townhouses (25)	College Corner (8 for LCC students)
MacDonald (24)	Maplewood Meadows (38)	
Oakwood Manor (72)	Bascom Village II (48)	
Bagley Downs (30)	Jacob's Lane (63)	
Hope Lane (12)	Walnut Park (32)	
Mary Skinner Apt. (40)	<u>SPRINGFIELD (# of Units)</u>	-----OTHER PROVIDERS-----
<u>SPRINGFIELD (# of Units)</u>	McKenzie Village (174)	Income Requirement:
Aster Apts. (54)	Pengra Court (22)	None - preference given to low-income renters
Royal Building (33)	<u>COTTAGE GROVE (# of Units)</u>	<u>EUGENE (# of Units)</u>
Ash Meadows (31)	River Terrace (60 senior/disabled)	Ya-Po-Ah Terrace (222 senior)
Bluebell Apts. (17)	<u>CRESWELL (# of Units)</u>	
Mill Street Apts. (10)	Camas Apts. (36)	Income Requirement:
The Myrtlewood (35)	<u>VENETA (# of Units)</u>	< 50% of Area Median Income
<u>COTTAGE GROVE (# of Units)</u>	Veneta Village (30)	<u>EUGENE (# of Units)</u>
Corey Commons (21)	<u>FLORENCE (# of Units)</u>	Olive Plaza (150 senior)
Omen Apts. (12)	New Winds Apts. (18)	
<u>VENETA (# of Units)</u>	<u>PROPOSED PROJECTS (# of Units)</u>	
Heather Glen (27)	<u>Eugene:</u>	
<u>FLORENCE (# of Units)</u>	Market District Commons (50 Veterans/Workforce)	
Oak Terrace (40)	Housing First on MLK (50 Chronic Homeless)	
<u>JUNCTION CITY (# of Units)</u>	<u>Springfield:</u>	
Alona Place (40)	Glenwood Place (100 -150 Veterans/Workforce)	

Funding Sources: Projects developed with a mixture of Department of Housing and Urban Development grants and loans, Oregon state and local government grants, the Federal and State Low-Income Housing Tax Credit programs, private foundation grants, and private donations.

Discussion Questions:

1. Did you grow up in what is now known as Missing Middle housing? Can you give examples of Missing Middle types of dwellings you may have seen in Eugene/Springfield?
2. What types of Missing Middle housing development would you support in your neighborhood? Which would you oppose?
3. What type of Missing Middle housing would you want to live in?
4. What values should guide government's approach to housing affordability? Consider the following or suggest others: Equity, public-private partnerships, livability, sustainability, healthy/safely housed citizens.
5. Which of the following strategies should be considered by local governments to increase funding for housing with regulated rent that is reserved for low-income households? Why or why not?
 - Shift money from the general fund, which would shift funding from other services
 - Charge a construction excise tax on new developments
 - Use local bonds repaid with property taxes to help fund construction

References

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- 10) Reference: "Advisors detail homeless crisis," *The Register-Guard*, October 11, 2018.
- 11) Reference: "Council approves transition camp plan," *The Register-Guard*, December 18, 2018.

[Material prepared by Sue Boyd, Barbara French, Gary Harmon, Susan Tavakolian, Pat Hocken, who was the League representative on the Housing Tools and Strategies Working Group.]