

The 5-Minute Guide to Fixing MUPTTE

SUMMARY

1. Provide property tax exemptions only for projects that create the types of housing that Eugene needs. Eugene's greatest need is affordable, family-friendly homes.
2. Grant financial benefits to the investors in multiple-family housing projects only in areas that have up-to-date, adopted plan policies with which such projects must comply.
3. Require approval by a public vote to continue the MUPTTE ordinance beyond the earliest date on which the ordinance can be placed on the ballot.

DISCUSSION

1. The current MUPTTE proposal is not based at all on Eugene's actual housing needs. It uses a simplistic (and easily debunked) assumption that building any type or cost of dwelling will help reduce "sprawl." The Eugene market (including the cost of land, which is driven up by a limited land supply within the UGB) clearly makes high-end housing (detached single-family, attached single-family and multi-family) the only viable product. The current MUPTTE program will simply fuel more of what the market already supports. The most that can be claimed (and this is not supported by evidence) is that MUPTTE might stimulate some denser housing in locations near transit corridors where without the incentive they would not be built. The City has in its hands an independent analysis which says that such housing won't be built in areas without an attractive location, and substantial amenities. However, recent development demonstrates that investors do not need tax incentives to build in attractive locations.

Note that "affordable" doesn't necessarily mean the very low-end of household incomes. In fact, if "reducing sprawl" is the objective, the most important segment to serve is the mid-income family who has a choice of living in Eugene or outlying communities. Portland's research shows that as the land supply within the UGB becomes more limited, housing costs go up, and families "drive 'til they qualify." With attractive, reasonably-priced options in Junction City, Veneta, Cottage Grove, etc., holding the UGB tight and building more high-end apartments will exacerbate "leap frog sprawl" and land consumption outside Eugene.

2. Oregon's entire planning apparatus is based on Goal 1 – Citizen Involvement. The nexus where citizens can meaningfully participate in the formulation of legally binding rules is specifically "refinement plans." Metro-level plans are too general and code is too specific, and neither of these deal well with individual neighborhood character.

City staff are being incredibly disingenuous (or incompetent) to suggest that "Area Plans" that are not refinement plans are adequate. First, only refinement plans have a well-established public process for their creation, review and adoption. Second, staff has admitted that "area plans" have no legal effect. Staff claims it is the code that they (staff) develop after the area plan is approved (not formally adopted) that provides the specific protections. But anyone familiar with the development of land use code in Eugene has seen that the public is at a severe disadvantage to produce something that is satisfactory, especially if staff doesn't support the community's positions. (The R-1 Code Amendment process is a perfect example.)

3. Staff has amply demonstrated that they cannot or will not produce a MUPTTE ordinance that has widespread public support. Unfortunately, it is certain that a majority of the City Council will approve the staff plan unless the ordinance would have to be approved by a public vote.

The better approach would be to leave MUPTTE suspended until voter approval, but facing a vote within the next year would probably be as effective.