



City Council Agenda

City Manager:
Nancy Newton
City Recorder:
Allyson Pulido
541-726-3700

City Hall
225 Fifth Street
Springfield, Oregon 97477
541-726-3700
Online at www.springfield-or.gov

Mayor
Sean VanGordon
City Council
Michelle Webber, Ward 1
Steve Moe, Ward 2
Kori Rodley, Ward 3
Beth Blackwell, Ward 4
Victoria Doyle, Ward 5
Alan Stout, Ward 6

These meetings will be available via phone, internet using Zoom and in person. Members of the public wishing to attend these meetings electronically can call in or attend virtually by following the directions below. This information can also be found on the City's website.

The meeting location is wheelchair-accessible. For the hearing-impaired, an interpreter can be provided with 48 hours' notice prior to the meeting. For meetings in the Council Meeting Room, a "Personal PA Receiver" for the hearing impaired is available, as well as an Induction Loop for the benefit of hearing aid users.

To arrange for these services, call 541-726-3700.

Meetings will end prior to 10:00 p.m. unless extended by a vote of the Council.

All proceedings before the City Council are recorded.

March 10, 2025
Monday

5:30 p.m. Work Session
Council Meeting Room

or

Virtual Attendance

Registration Required:

Attend from your computer, tablet or smartphone:

Zoom

Meeting ID: 890 7575 6920

https://us06web.zoom.us/webinar/register/WN_-JpRvD07Tb-_TQ2bsFj39w

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Dial 1 (971) 247-1195

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(Council work sessions are reserved for discussion between Council, staff and consultants; therefore, Council will not receive public input during work sessions. Opportunities for public input are given during all regular Council meetings)

CALL TO ORDER

ROLL CALL -- Mayor VanGordon ____, Councilors Webber ____, Moe ____, Rodley ____, Blackwell ____, Doyle ____, and Stout ____.

- Professional Liability Insurance for Privately-Funded Public Improvements
[Kristina Kraaz] (20 mins)
- Springfield Housing Update
[Katie Carroll and Chelsea Hartman] (60 mins)

ADJOURNMENT

AGENDA ITEM SUMMARY S P R I N G F I E L D C I T Y C O U N C I L	Meeting Date:	03/10/2025
	Meeting Type:	Work Session
	Staff Contact/Dept:	Kristina Kraaz/City Attorney's Office
	Staff Phone No:	
	Estimated Time:	20 Minutes
	Council Goals:	Promote and Enhance our Hometown Feel while Focusing on Livability and Environmental Quality

ITEM TITLE:

Professional Liability Insurance for Privately-Funded Public Improvements

ACTION REQUESTED:

Direct city staff on changes to professional liability insurance requirements for privately-funded public improvement projects, such as lowering the coverage requirements for type 2 encroachment permits.

ISSUE STATEMENT:

Should the city change the professional liability insurance requirements for design professionals (such as engineers) who work on privately-funded public improvement projects, to lower costs associated with housing development?

DISCUSSION/FINANCIAL IMPACT:

The City Council has asked City Attorney's Office, in coordination with the Risk Manager and City Engineer, to review whether changes could be made to the city's professional liability insurance requirements for privately-funded infrastructure projects, to reduce costs on private developers and encourage more competition in this field.

The city currently requires design professionals working on Public Improvement Projects (PIPs), who are typically registered professional engineers, to carry professional liability coverage of at least \$2 million on a claims-made basis. The design professional is not required to provide general commercial liability coverage in favor of the city; this coverage is provided by the general contractor at a minimum level of \$2 million per claim and \$3 million in aggregate.

The Council Briefing Memorandum (Attachment 1) addresses these topics:

- How does the city approach permitting for public improvements?
- How does the city approach professional liability coverage?
- What does the city's permitting data show?
- What are the City Council's options?
- What are the next steps?

For a detailed discussion of specific risks associated with privately-funded public improvements, including claims examples and history, please see the City Attorney's Office privileged memorandum to Council dated January 24, 2025.

Attachments

1. Council Briefing Memorandum

MEMORANDUM

City of Springfield

Date: 3/3/2025

To: Nancy Newton

COUNCIL

From: Kristina Kraaz, Assistant City Attorney

BRIEFING

Subject: Professional Liability Insurance for Privately-Funded Public Improvements

MEMORANDUM

ISSUE: Should the city change the professional liability insurance requirements for design professionals (such as engineers) who work on privately-funded public improvement projects, to lower costs associated with housing development?

COUNCIL GOALS/

MANDATE:

Promote and Enhance our Hometown Feel While Focusing on Livability and Environmental Quality

BACKGROUND:

The City Council has asked City Attorney’s Office, in coordination with the Risk Manager and City Engineer, to review whether changes could be made to the city’s professional liability insurance requirements for privately-funded infrastructure projects, to reduce costs on private developers and encourage more competition in this field.

The city currently requires design professionals working on Public Improvement Projects (PIPs), who are typically registered professional engineers, to carry professional liability coverage of at least \$2 million on a claims-made basis. The design professional is not required to provide general commercial liability coverage in favor of the city; this coverage is provided by the general contractor at a minimum level of \$2 million per claim and \$3 million in aggregate.

How does the city approach permitting for public improvements?

The City has several approaches to contracting or allowing for construction or utility work in public rights of way or easements. Projects that the City leads and pays to construct with public funds are capital construction projects (such as street bond projects or projects funded by SDC revenues). Projects that are paid for by private developers or utilities can be permitted by the city through several different permit mechanisms, depending on the complexity of the project, the type of work, and the location.

The following table summarizes the different ways that the city allows or permits work to be done on public infrastructure, when professional liability coverage and financial security are required, and the relative risk to the city posed by design flaws in each of those types of projects. Please see the City Attorney’s Office privileged memorandum to Council dated January 24, 2205, for a more thorough discussion of the risks and liabilities to the city caused by privately-designed infrastructure projects, and approaches to mitigate those risks.

Table: Permits for Privately-Funded Infrastructure Projects 2020-2025

<i>Type of Permit or Agreement</i>	<i>Description</i>	<i>Insurance Requirements</i>	<i>Typical Level of Risk</i>
Capital Project	<p>City is the project ‘owner’ and hires a contractor directly</p> <p>May hire out design (engineering) work or perform in-house</p> <p>Awarded based on direct appointment (<\$100,000) or competitive proposals.</p>	<p>Professional liability required for hired design professionals (\$2 million min.)</p> <p>Covered by CIS if designed by city staff</p> <p>No financial security required</p>	High risk
Public Improvement Permits	Public infrastructure for large private development projects (≥\$100,000, complex facilities or systems)	<p>Professional liability (\$2 million min.)</p> <p>Financial security required</p>	High risk
Encroachment Permit Type 2	Public infrastructure for small development projects (<\$100,000, simple facilities)	<p>Professional liability (\$2 million min.)</p> <p>May require financial security</p>	Moderate risk
Encroachment Permit Type 1	Construction or utility work in public rights of way/easements that does not require engineered designs	<p>No professional liability coverage required</p> <p>May require financial security</p>	Moderate to low risk
Work allowed with no permits	Utility work in the public rights of way not in the travel lanes and not subsurface	No professional liability coverage required	Lowest risk

How does the city approach professional liability insurance?

Since 2017, the city has required design professionals for PIPs to carry professional liability coverage of at least \$2 million on a claims made basis. This insurance must remain active at least through the final warranty period on the improvements (2 years from completion) but provides protection to the city for claims made as long as the policy remains in effect, which is often continuous for engineers who do frequent public improvement work. The premium for a professional liability policy that meets city coverage requirements typically ranges from \$700 to \$2,000 per year depending on a variety of factors, including claims history, the number of covered employees, and annual revenue. The city allows design professionals to use umbrella coverage to meet minimum coverage requirements, which may be a less expensive option.

The city's minimum insurance requirements are tied to the city's potential liability limits under the Oregon Tort Claims Act (OTCA). For 2024-2025, the OTCA limits are \$1,710,200 for multiple claimants for personal injury and \$701,300 for multiple claimants for property damage. The city's insurance requirements for contractors and design professionals are greater than these amounts in recognition that, if there is a construction defect that causes injuries or property damage, there may be other claimants besides the city. Construction defect cases are often complex with many parties having claims against the same professional liability policy, which may further reduce that amount available to the city.

Until 2021, there was a practice of approving lower insurance coverage for PIPs on an ad hoc basis. There was no risk analysis underlying these exceptions, and the exceptions were granted inconsistently. Most design professionals working on PIPs, including small Springfield-based firms, provided the full amount of coverage. Circa 2020 to 2021, acting on the advice of the city's insurer (CIS) and risk consultants (Brown & Brown), the DPW Community Development Division discontinued the practice of granting case-by-case exceptions without a thorough risk analysis.

In 2022 and 2023, the city received complaints that the general commercial liability coverage requirements for design professionals were excessive, at \$2 million per occurrence and \$3 aggregate. The case was made that these requirements increased costs to the design professional and were unnecessary because contractors are also required to carry this coverage for PIPs. The duplicative insurance requirements do not provide a meaningful benefit to the city, so in 2023, the Council removed the requirement that design professionals carry this coverage for PIPs.

Also in 2022, DPW Community Development Division and Operations Division worked together to create a new category of permit, the type 2 encroachment permit, which may be used for smaller public improvements with a cost less than \$100,000. The purpose of this permit is to simplify and streamline the permitting process for small public improvement projects, saving time and money for both developers and the city.

In 2024 and 2025, at least one solo practitioner has requested the city lower or eliminate the requirements for professional liability coverage for their public improvement projects.

What does the city's permitting data show?

Over the last five years, Springfield averages seven PIP applications per year, not counting applications from public entities such as SUB and LTD. The value of improvements ranges from \$20,000 to more than \$3 million. Since 2022, the type 2 encroachment permit has been available for smaller public improvement projects with values less than \$100,000. This permit was initially only used for public projects by SUB and LTD, despite also being available for private projects. In 2025, however, four developments have applied for type 2 encroachment permit; one is a commercial development and three are residential projects.

Over the last five years, eight engineering firms and four solo practitioners have participated as design professionals on PIPs and type 2 encroachment permits:

- 5 large, multistate engineering firms with 100 to over 500 employees
- 2 local, midsize engineering firms with 25-50 employees
- 1 local, small engineering firm with less than 10 employees
- 4 solo practitioners

The major share of PIPs are related to housing projects; only a handful of PIPs since 2020 have been related to commercial development. All PIPs associated with commercial development projects used large engineering firms. Solo practitioners and small firms only worked on housing development. Thus, lowering development costs for solo practitioners and small and midsize firms will be more likely to impact housing development costs than commercial costs.

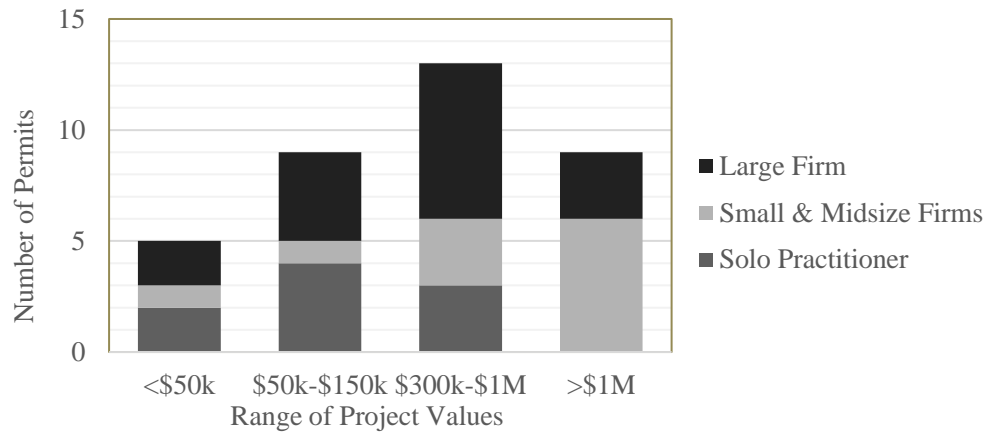
Data for PIPs and Type 2 Encroachment Permits for the last five years show that solo engineering practitioners are generally participating in smaller projects on an equal or better basis as the large multistate firms. For projects less than \$150,000, the same number of permits were issued to solo practitioners as to large firms. The improvement value of these smaller projects was greater for solo practitioners than for large firms. Solo practitioners were not the design professional for any permits with projects valued over \$1 million.

Table: Permits for Privately-Funded Infrastructure Projects 2020-2025

	<i>Number of Permits by Project Value</i>			
	<\$50k	\$50k-\$150k	\$300k-\$1M	>\$1M
<i>Solo Practitioners</i>	2	4	3	0
<i>Small & Midsize Firms</i>	1	1	3	6
<i>Large Firm</i>	2	4	7	3
	<i>Cumulative Value of Permits (Thousands)¹</i>			
	<\$50k	\$50k-\$150k	\$300k-\$1M	>\$1M
<i>Solo Practitioners</i>	\$51	\$600	\$2,354	\$-
<i>Small & Midsize Firms</i>	\$27	\$71	\$725	\$16,072
<i>Large Firm</i>	\$57	\$334	\$4,219	\$4,135

Chart: Permits for Privately-Funded Infrastructure Projects, 2020-2025

¹ The city relies on the design professionals' project cost estimates at the time of permitting. Actual cost of the project may differ if changes are made after initial permit approval. Project costs were converted to 2025 dollars using the CPI – West Region – Pacific.



Permit data also suggests that the type 2 encroachment permit is an appropriate permitting solution to streamline smaller residential projects with improvements costing less than \$100,000. From 2020 to 2022, there were five smaller residential projects that were processed as a PIP, but that might have been eligible for a type 2 encroachment permit if it had existed.² So far in 2025, three small residential projects have applied under type 2 encroachment permits. No small projects have applied as a PIP. This shows that changing type 2 encroachment permit requirements is likely to benefit small infrastructure projects, since those projects are now using this alternative permitting procedure.

Table: Small Residential Projects 2020-2025

<i>Year</i>	<i>Type</i>	<i>Project Description</i>	<i>Approx. Cost (thousands)</i>
2020	PIP	P31059 Goldfinch Glen	\$62
2021	PIP	P31066 E. Horace St. Improvements	\$91
2022	PIP	P31077 Ridgeview Gardens	\$27
2022	PIP	P31079 Marcola Meadows Apartment - Sewer	\$32
2022	PIP	P31071 5 Doves Estates	\$53
2022	PIP	P31075 Weber Apartments on 5th - Sewer	\$71
2025	EP-2	P31098 503 17th St - Manhole	\$20
2025	EP-2	P31089 16th Street - Manhole	\$26
2025	EP-2	P31090 Moffitt - Manhole	\$31

What are the City Council's options?

The City Attorney's Office, in consultation with the Risk Manager and City Engineer, recommend that the Council could lower the required professional liability coverage for design

² In 2023-2024, there were no small residential public improvement projects less than \$100,000.

professionals working on type 2 encroachment permits. This would accomplish the purposes of reducing the development costs for small infrastructure projects in a manner that can be applied consistently by city staff. It also allows the city to continue to mitigate risks from complicated or unusually risky projects, because the City Engineer retains the authority to require a project to use a PIP permit instead.

Other options that the Council may consider to mitigate risks caused by privately-designed infrastructure projects are thoroughly discussed in the City Attorney's Office memorandum dated January 24, 2025. The City Attorney's Office does not recommend the Council change the PIP requirements or process, such as lowering insurance requirements for all PIPs, or a case-by-case review of insurance requirements for each project. Lowering professional liability insurance requirements for all PIPs leaves the city vulnerable to potential claims from infrastructure that is not properly designed or inspected. Case-by-case review of insurance requirements requires more staff time to conduct a risk analysis for each PIP, which adds to the administrative cost of processing a permit. Increasing the city's administrative costs results in higher permit fees for developers, or if fees are not increased, further depletes city resources.

What are the next steps?

The Council may recommend that DPW Community Development Division lower the required professional liability coverage for a type 2 encroachment permit to \$1 million on a claims-made basis. No formal action is needed as these permits fall within the authority of the Division Director to define the permit requirements. See Springfield Municipal Code section 3.210(1)(c).

If the Council wishes to change any requirements or procedures for issuing a PIP, the changes must be approved by a vote of the City Council. The requirements and procedures for PIPs are adopted in the Engineering Design Standards and Procedures Manual (EDSPM). The Division Director has discretion to make changes to the EDSPM, but those changes must be ratified by the City Council within 45 days of making the change. See Resolution 2023-26, Section 3.

RECOMMENDED ACTION: Direct the City Attorney's Office and DPW Community Development Division on changes to the professional liability insurance requirements for privately-funded public improvement projects, such as lowering the coverage requirements for type 2 encroachment permits.

AGENDA ITEM SUMMARY	Meeting Date:	03/10/2025
	Meeting Type:	Work Session
S P R I N G F I E L D C I T Y C O U N C I L	Staff Contact/Dept:	Katherine Carroll/Community Development
	Staff Phone No:	
	Estimated Time:	60 Minutes
	Council Goals:	Mandate

ITEM TITLE:
Springfield Housing Update

ACTION REQUESTED:
Provide direction on which housing tools from Attachment 5 to include in findings for the Climate-Friendly Areas adoption package and consider further as part of the upcoming citywide Housing Production Strategy work.

ISSUE STATEMENT:
For the last several years the City has been working to address the supply and affordability of housing in Springfield through the Springfield Housing Strategy. As housing becomes a bigger challenge across Oregon, the State government has responded with a number of changes to mandated housing planning efforts. The purpose of this work session is to share information on statewide housing challenges and Springfield's housing market, provide updates on Springfield's current housing strategies and upcoming State-mandated housing planning efforts, and seek direction on which housing tools from Attachment 5 to include in findings for the Climate-Friendly Areas (CFAs) adoption package and consider further as part of the upcoming Housing Production Strategy work.

DISCUSSION/FINANCIAL IMPACT:
Cities across Oregon, including Springfield, are challenged by a lack of housing availability and affordability. In response to statewide challenges, the governor and legislature have prioritized housing production and affordability through various actions, including significant changes to Oregon's land use housing planning (Goal 10), with some rulemaking ongoing throughout 2025.

To comply with new State rules, Springfield must adopt a Housing Capacity Analysis (HCA) and a Housing Production Strategy (HPS) in 2027 and 2028 respectively to plan for needed housing and identify actions the City will take to promote production of that housing. As part of the new rules, Springfield will receive housing need projections and production targets from the State broken out by income level. The projections are higher than when Springfield last completed an analysis of housing need in 2010 due to changes in methodology.

As part of complying with the State's Climate-Friendly and Equitable Communities (CFEC) rules, Springfield must adopt one or more Climate Friendly Areas (CFAs) to allow for dense urban-mixed use centers. As part of the CFA adoption package, the City must identify tools or strategies to promote development of housing that is affordable to a range of incomes and mitigate displacement of members of state and federal protected classes. Springfield already has some housing strategies addressing these topics but will need to consider additional strategies as part of the HPS. The strategies the Council chooses to include in the CFA findings can be further evaluated during development of the HPS.

Attachments

1. Council Briefing Memo- Housing Strategies Update
2. Housing Strategy Handout- Spring 2025 Update
3. Update on Current Springfield Housing Strategies
4. State of Housing in Springfield and Oregon
5. Potential Housing Production & Displacement Mitigation Strategies for CFAs
6. Springfield Housing Update Presentation Slides

MEMORANDUM

City of Springfield

Date: 3/10/2025

To: Nancy Newton **COUNCIL**

From: Katie Carroll, Housing Analyst **BRIEFING**
 Chelsea Hartman, Senior Planner
 Jeff Paschall, Community Development Director

Subject: Springfield Housing Update **MEMORANDUM**

ISSUE: For the last several years the City has been working to address the supply and affordability of housing in Springfield through the Springfield Housing Strategy. As housing becomes a bigger challenge across Oregon, the State government has responded with a number of changes to mandated housing planning efforts. The purpose of this work session is to share information on statewide housing challenges and Springfield’s housing market, provide updates on Springfield’s current housing strategies and upcoming State-mandated housing planning efforts, and seek direction on which housing tools from Attachment 5 to include in findings for the Climate-Friendly Areas (CFAs) adoption package and consider further as part of the upcoming Housing Production Strategy work.

COUNCIL GOALS/

MANDATE:

Council Goals: Mandate

BACKGROUND:

In work sessions held between 2016 and 2017, Council identified actions it was interested in pursuing to help address the supply and affordability of housing across the housing continuum in Springfield. The result of this effort was the Springfield Housing Strategy, which includes actions the City is taking to address the community’s housing needs. Since then, the City has made progress on action items, identified additional efforts to pursue, received one-time funds (including an influx of State and federal dollars related to the COVID pandemic), and responded to State-mandates around housing which have prompted additional work and updates to the strategy. Staff previously updated Council on the City’s housing work on [October 24, 2022](#) and [October 9, 2023](#). Updates on the City’s current housing strategies are summarized in Attachment 3 and an updated Housing Strategy handout is available as Attachment 2.

Cities across Oregon, including Springfield, are challenged by a lack of housing availability and affordability. An overview of housing data for Springfield and Oregon is provided in Attachment 4. In response to statewide challenges, the governor and legislature have prioritized housing production and affordability through various actions, including significant changes to Oregon’s land use housing planning (Goal 10), with some rulemaking ongoing throughout 2025.

UPCOMING HOUSING PLANNING:

House Bill 2001 (passed in 2023), known as the Oregon Housing Needs Analysis (OHNA), directed the Oregon Department of Land Conservation and Development (DLCD) to develop and implement rules to increase housing production, affordability, and choice. This legislation requires significant changes to Statewide Land Use Planning Goal 10: Housing and Goal 14: Urbanization. Cities with a population of 10,000 or greater must regularly plan for and take action to address housing needs by adopting a Housing Capacity Analysis (HCA) and Housing Production Strategy (HPS). Springfield’s HCA is due December 2027 and the HPS is due December 2028 with both having required updates every 8 years following adoption.

In December 2024, the Land Conservation and Development Commission (LCDC) adopted the first set of OHNA rules that outline requirements for state and local responsibilities around housing planning as summarized below.



State Responsibilities under OHNA

- Oregon Housing Need and Production Targets:** The Oregon Department of Administrative Services developed and published the OHNA methodology on January 1, 2025. This allocates a 20-year housing need at different income levels as well as an 8-year housing production target for cities outside of Metro with a population of 10,000 or greater (6-year target for cities inside Metro). The State must publish the methodology and numbers for each city annually. A summary of the methodology and numbers for Springfield is provided in the Springfield Housing Need & Production Targets section.
- Housing Production and Equity Indicators Dashboards:** On January 1, 2025, OHCS published dashboards that provide information on the 20-year housing need, 8-year production targets, and housing equity indicators. The Housing Production Dashboard will track each city's annual progress towards meeting its housing production target overall and specifically for households earning 80% Area Median Income (AMI) and below, and compare progress among peer cities with similar market types and cities within the same region. The Housing Equity Indicators Dashboard will monitor equitable housing outcomes, such as cost burden, share of households who own or rent, housing age and condition, and displacement, among other things.
- Housing Acceleration Program:** OHNA establishes this new program under DLCD to ensure cities comply with their housing planning cycle and make progress towards meeting housing targets. Cities will be referred into this program based on compliance with State rules and performance metrics when compared to peer cities. Referral will result in a state-managed audit of housing policies, programs, and investments, and an agreement to actions that address any identified barriers to housing production, affordability, and choice that are within a city's control or influence. The State will provide technical assistance and other resources to referred cities to help local governments meet housing targets.

Local Responsibilities under OHNA

- Contextualized Housing Need:** This new analysis requires cities to start with the 20-year housing need and 8-year production target by income level provided by the State, then provide local context by identifying housing types, characteristics, and locations for which Springfield

will plan. This also requires analyzing fair housing issues, identifying measures to affirmatively further fair housing¹, and developing a plan for ongoing monitoring of fair housing issues.

- **Housing Capacity Analysis:** Springfield is required to complete and adopt an updated analysis of how to accommodate its 20-year housing need by type, characteristics, locations, and affordability for different household incomes. This includes conducting a residential buildable lands inventory to assess capacity for housing within the current urban growth boundary (UGB) and identifying actions for how to accommodate the housing need. Actions to address the need must first consider how to more efficiently use the land with the current UGB using efficiency measures such as increasing density. If the housing need cannot be accommodated within the UGB after identifying efficiency measures, cities must consider a UGB expansion. The HCA will replace the adopted Springfield Residential Land & Housing Needs Analysis 2010-2030. The HCA will be adopted by Ordinance by Springfield and Lane County and must be acknowledged by DLCD.
- **Housing Production Strategy:** Springfield is required to identify and prioritize actions to address the 8-year housing production target by income level. Springfield must commit to actions within its control that promote housing production, affordability, and affirmatively furthering fair housing, and demonstrate that the identified actions collectively support the city's needed housing types, characteristics, and locations as identified through the contextualized housing need. The HPS is adopted locally (but is not a land use decision that is subject to appeal) and is reviewed and approved by DLCD.

2025 OHNA Rulemaking for Capacity & Urbanization

The remainder of the OHNA rules will be adopted on or before January 1, 2026, and intend to focus on providing clarity and certainty in how cities assess the capacity of land within a UGB to meet the housing need. These rules will guide updates to Springfield's residential buildable lands inventory and future UGB expansion analysis, if needed, to accommodate the community's housing need.

- Due to a new requirement for buildable lands inventories, Springfield must now also determine the amount of "development-ready lands" that are likely to support progress towards its 8-year housing production target. Development-ready lands are:
 - Currently annexed and zoned to allow housing through clear and objective standards and procedures;
 - Readily served through adjacent public facilities or identified for the near-term provision of public facilities through an adopted capital improvement plan; and
 - Not encumbered by any applicable local, state or federal protective regulations or have appropriate entitlements to prepare the land for development.
- If the housing production target is greater than the housing capacity of development-ready lands, Springfield must include actions in the HPS that prepare lands for (re)development or increase the housing capacity of existing development-ready lands.
- Rulemaking in 2025 will also include the development of "adoption-ready actions" that can be adopted or refined to adapt to specific local contexts to be included in the HPS to address housing production, affordability, and choice.

Another part of the OHNA legislation limits how cities account for efficiency measures in meeting the housing need within a UGB, which means that more cities will likely need to consider UGB expansions. This provision² notes that density expectations for efficiency measures may not project an increase in residential capacity above achieved density by more than 3% without quantifiable validation

¹ "Affirmatively further fair housing" means meaningful actions that, when taken together, address significant disparities in housing needs and access to opportunity and replace segregated living patterns with truly integrated and balanced living patterns to transform racially and ethnically concentrated areas of poverty into areas of opportunity and foster and maintain compliance with civil rights and fair housing laws. (ORS 197A.100(9))

² ORS 197A.270(6)

or analysis demonstrating that the density increase will be greater. Due to ongoing rulemaking in 2025, Springfield will not begin updating the residential buildable lands inventory until 2026, so updated assumptions for housing capacity within the current UGB is unknown at this time. Given the new 20-year housing need and limits on accounting for efficiency measures, it's anticipated that Springfield may need to consider a UGB expansion for residential land.

Springfield Housing Need & Production Targets

In the past, cities calculated their 20-year housing need locally using a methodology largely driven by population growth. As part of OHNA, the State establishes 20-year housing needs for each region then allocates a portion of the regional share to cities. The OHNA methodology accounts for housing underproduction, units lost to second/vacation homes, and housing for people experiencing homelessness. This new statewide approach results in larger housing needs than determined using the previous methodology.

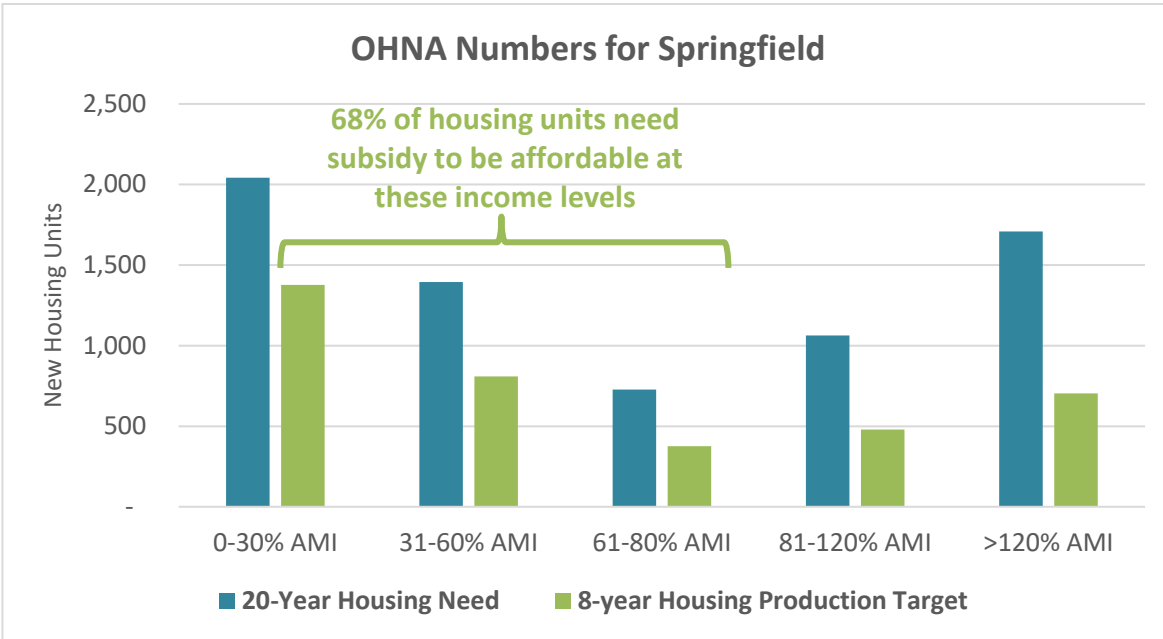
Based on the 2025 OHNA numbers, Springfield's 20-year housing need is 6,937 new housing units with a housing production target of 470 housing units per year over the next 8 years, which coincides with the cycle to update our HCA and HPS.

- The 20-year housing need includes housing units that are needed now to house the existing population (Current Need) as well as units needed in the future to accommodate household growth (Future Need).
 - Current Need includes housing underproduction and housing units for people experiencing homelessness.
 - Future Need includes units for expected population growth, expected housing units that will be lost to second and vacation homes, and units to accommodate expected demographic change.
- The OHNA methodology front-loads the Current Need over 10 years and spreads the Future Need over the 20-year planning horizon to calculate the annual housing production target. (Example: $[\text{Current Need} / 10 \text{ years}] + [\text{Future Need} / 20 \text{ years}] = \text{annual production target}$)

The graph on the next page shows Springfield's 20-year housing need and 8-year production targets by income level.³

- 68% of Springfield's 8-year production target is for households earning 80% AMI and below. Housing for these income levels typically requires subsidy to create affordability.
- For comparison, the adopted Springfield Residential Land & Housing Needs Analysis 2010-2030 noted that the 20-year housing need was 5,920 new housing units with 51% of that need being for households earning 80% AMI and below.
- Springfield will be planning for more housing than when the last analysis was done and specifically planning for more housing that is affordable to lower income levels.

³ Source: Oregon Housing Needs Analysis Methodology, December 2024. Published by Oregon Department of Administrative Services.



CLIMATE-FRIENDLY AREAS:

Oregon’s Climate-Friendly and Equitable Communities (CFEC) rules require some cities, including Springfield, to reduce greenhouse gas emissions by identifying and adopting one or more Climate-Friendly Areas (CFAs), which will allow for dense urban mixed-use centers where people have options to meet most of their needs without relying on a car. Part of the CFEC rules require cities to identify existing and new tools or strategies to promote the development of housing and to mitigate displacement if housing costs increase as CFAs redevelop over time. Springfield’s Housing Strategy handout (Attachment 2) provides an overview of existing efforts, most of which apply citywide. The Housing Diversity Tax Exemption is area-specific and overlaps well with the CFA locations.

At the [June 24, 2024](#) Council work session, staff shared key takeaways about Springfield’s demographics and potential displacement risk, which Lane Council of Governments (LCOG) analyzed in 2023. Some key takeaways from that analysis include:

- The Downtown and Mohawk CFAs include areas that are considered to be vulnerable to potential displacement (e.g., higher proportion of households earning 80% AMI and below and housing stock that is older or includes more apartments when compared to housing citywide).
- The Downtown CFA includes an area of active gentrification (e.g., households earning 80% AMI and below with a high share of vulnerable people (e.g., people with limited-English proficiency, disabilities, or 65 years and older), older or multi-unit housing stock, and active housing markets with some signs of gentrification as indicated by demographic change).
- In the Glenwood Riverfront CFA, 91% of households are earning 80% AMI and below, over half of the population is 65 years and older, and two-thirds of homeowners in that area are cost-burdened. These demographics are important when considering housing tools for CFAs.
- Springfield has a larger proportion of households earning 80% AMI and below than Oregon overall (50% compared to 43% respectively). This means that more of the population is susceptible to potential displacement and may already struggle to keep up with the cost of housing, so some housing tools identified with CFAs could be beneficial citywide.

On [February 10, 2025](#), staff gave a project update and Council selected preferred CFA locations including Glenwood Riverfront, Downtown, and Mohawk. Next steps include drafting plan and code amendments for the adoption process that will begin later this year. Part of that update summarized results from community feedback gathered in fall 2024 about which housing tools the City should explore that could support residents who live in CFAs:

- 41% of participants ranked tenant support as highest priority (e.g., renter protections).
 - Strong desire for new affordable housing and helping current residents continue to live in our community.
- 32% of participants ranked financial tools as highest priority (e.g., direct subsidy, tax incentives).
 - General acknowledgement that development is expensive, and reducing the cost of development could result in more housing of different price points.
- General support for other tools that reduce the potential risk of displacement (e.g., partnerships, redevelopment, regulatory changes).

Attachment 5 provides a summary of the strategy categories and example tools that were provided for the community to weigh in on. The project team identified this list of possible tools that could increase housing production and alleviate pressures of possible displacement. In general, these tools could be applied to any of the CFA locations, and some could be considered for citywide implementation as part of the City's upcoming housing planning efforts.

Part of the CFEC rules⁴ require that cities include findings in the CFA adoption package that identify existing and new tools or strategies to promote the development of housing that is affordable to a range of incomes and mitigate displacement of members of state and federal protected classes⁵. The CFEC rules also note that the tools would be incorporated in the City's future HPS, which will include further analysis and vetting with the community and decision-makers as part of that process. Some key points about the future HPS work include:

- In 2024, OHNA rulemaking implemented requirements for information that must be included in the HPS, such as the timeframe and critical steps for implementation, the expected magnitude of impact of each action and how it addresses the housing needs, and how the city will monitor results of the action, among other things.
- The OHNA rules allow for the inclusion of exploratory work, such as studies, research, and other analyses intended to inform HPS planning work but are noncommittal in nature.
- The rules also allow for the identification of alternative actions that proportionately address the housing need. As part of the HPS work, the City could identify different tools to address our local housing needs if further analysis and vetting of the tools or strategies identified with the CFA project show that some actions are no longer feasible or preferred.

At this work session, staff is seeking Council direction on which housing tools from Attachment 5 to include in findings for the CFA adoption package and to consider further as part of the upcoming HPS work.

- Most tools would be new to Springfield, but a few are existing tools that could be expanded, such as limiting short-term rentals, pre-approved plan sets, fee waiver for income-qualified housing, Low-income Rental Housing Property Tax Exemption (LIRHPTE), urban renewal districts, and public/private partnerships.
- Some tools focus on income-qualified housing, such as the Construction Excise Tax, Moderate Income Housing Revolving Loan, fee waiver for income-qualified housing, and LIRHPTE.
- Most tools could benefit either ownership or rental housing, with a few tools specifically geared toward renters such as LIRHPTE and renter protections. As noted earlier in the memo, nearly half (45%) of Springfield's households are renters, and 44% of renters are cost-burdened

⁴ OAR 660-012-0315 (6) (d)

⁵ The federally protected classes under the Fair Housing Act (which prohibits discrimination against protected classes in housing) are race, color, national origin, religion, familial status (the presence of children under the age of 18 in a household), sex (including sexual orientation and gender identity), and disability. Additional state protected classes in Oregon include marital status, source of income, sexual orientation, gender identity, and status as survivor of domestic violence

meaning a significant portion already struggle with housing costs and are vulnerable to displacement.

RECOMMENDED ACTION: Provide direction on which housing tools from Attachment 5 to include in findings for the Climate-Friendly Areas adoption package and consider further as part of the upcoming citywide Housing Production Strategy work.

Introduction

In 2016, the **Springfield City Council** directed staff to evaluate housing needs and to build on strategies to both increase the supply of housing and the accessibility of housing across the housing continuum.

The result is the **Springfield Housing Strategy**, which has evolved over the years and includes the actions the City is currently taking to address the community's housing needs.

We want Springfield to be a welcoming community for all people in every phase of life, whether it's just starting out with a new family or downsizing to a smaller home.

Sheltering

Allow for temporary sheltering options.

Overnight Parking Program

Allow religious and social institutions and industrial sites to provide shelter by hosting up to 3 vehicles, campers, or trailers. Provide City general funds to support agencies running the parking program. **STATUS: ONGOING**

RVs as Temporary Housing

Temporarily allow recreational vehicles (RVs) to be occupied on private property to address regional shortage of affordable temporary housing options. Due to ongoing need, the City Council is considering allowing this type of use on a more permanent basis. **STATUS: UNDER REVIEW**

Shelter Sites

Process emergency shelter site requests from local agencies. **STATUS: ONGOING**

Income-Qualified Housing Development

Incentivize and fund development of income-qualified housing.

Income-Qualified Housing Development

Award federal HOME funds and other one-time funds toward new housing projects. Award City-owned land-banked sites for development with housing. **STATUS: ONGOING**

Springfield Land Acquisition Funding

Award funding to developers for the purchase of land to be developed with housing to serve households with incomes below 80% AMI. **STATUS: FUNDED THROUGH 2025**

Development Application Fee Waiver

Waive development application fees for income-qualified housing providers and for applicants with incomes below 60% AMI. **STATUS: ONGOING**

Low-Income Rental Housing Property Tax Exemption

Exempt property taxes for 20 years for rental housing serving households with incomes below 60% AMI. **STATUS: ONGOING**

SDC Waiver for Homeownership

Waive system development charges (SDCs) for housing that is sold affordably to homebuyers with incomes below 80% AMI. **STATUS: WAIVED THROUGH 2025**

Key Terms

Income-qualified housing is housing reserved for households within certain income limits. It may be (but is not always) subsidized to lower costs for residents so specific populations can more likely afford it. When income-qualified housing is subsidized, it is often referred to as "affordable housing".

Affordable housing is housing priced so that a household at or below median income pays no more than 30% of its total gross income on housing and utilities.

Housing affordability, in contrast, is applicable to households of all income levels. Housing is considered affordable if a household spends less than 30% of its gross income on housing-related costs, including utilities.

Area median income (AMI) is calculated annually by the US Department of Housing & Urban Development (HUD) for Lane County using the median family income and adjusting for different household sizes. AMI limits are used to determine eligibility for many housing incentives and programs.

Home Ownership Assistance

Provide assistance to prospective and current low-income homeowners.

Home Repair Program

Grant up to \$10,000 over 5 years in financial assistance with federal CDBG funds to help homeowners with incomes below 50% AMI with home repairs that address health, safety, or accessibility needs. **STATUS: ONGOING**

Springfield Home Ownership Program

Partner with DevNW to provide up to \$25,000 in financial assistance with federal CDBG funds (as an interest-free loan) to help first-time homebuyers with incomes below 80% AMI to purchase a home. **STATUS: ONGOING**

Housing Diversity & Production

Increase the supply and diversity of housing

Springfield Development Code Updates

Update Development Code to encourage housing development and comply with State law. Recent updates: clear and objective development review, allow middle housing in R-1, provide opportunities for housing in non-residential areas. Upcoming: revise mixed-use land use districts to support housing development. **STATUS: IN PROGRESS**

SDC Waiver for ADUs

Waive system development charges (SDCs) for Accessory Dwelling Units (ADUs). **STATUS: WAIVED THROUGH JUNE 2027**

Housing Diversity Tax Exemption

Exempt property taxes for 10 years for qualifying multiple-unit housing to incentivize development in targeted areas of Springfield. **STATUS: ONGOING**

Springfield Housing Snapshot UPDATE SPRING 2025

HOUSING MARKET

Housing is hard to find in Springfield due to a **very low vacancy rate**.¹

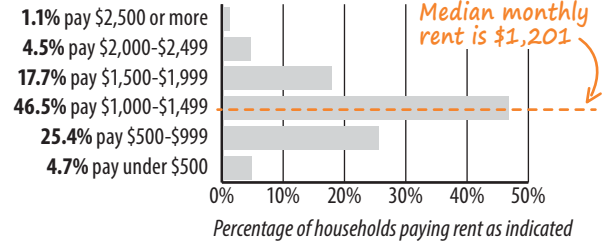
2.1% Rental Vacancy Rate
5.0% Healthy Rate
0.4% Homeownership Vacancy Rate
2.0% Healthy Rate

Springfield's housing **inventory is aging**.¹

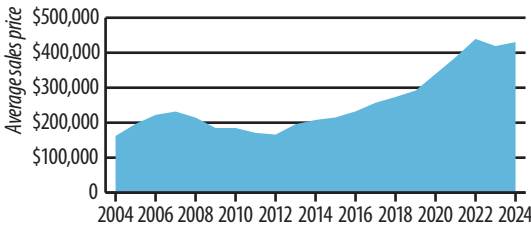
4.2% of housing in Springfield has been built **since 2010**.¹



Gross monthly rent paid in Springfield in 2023.¹

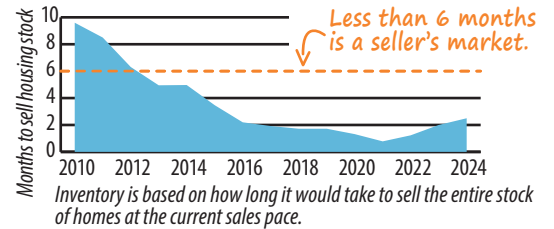


The average home sales price in Springfield has **increased significantly**.²



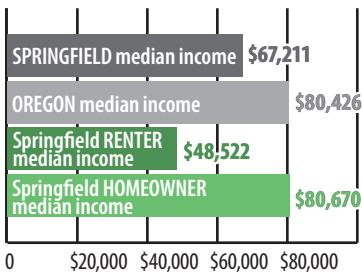
Year	Avg. Price	Year	Avg. Price
2004	\$157,611	2016	\$227,717
2006	\$217,734	2018	\$268,864
2008	\$210,036	2020	\$334,771
2010	\$180,186	2022	\$434,873
2012	\$161,392	2024	\$425,825
2014	\$203,232		

Low inventory for home sales in Lane County.²



INCOME AND AFFORDABILITY

Median household income¹



Springfield overall **POVERTY RATE**¹ **15.5%**

Poverty among Springfield **RENTER** families¹ **19.6%**

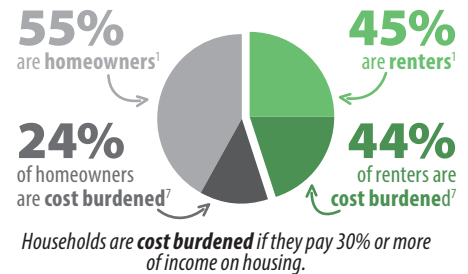
Poverty among Springfield **HOMEOWNER** families¹ **5.3%**

Springfield residents **UNHOUSED** at some point in 2024⁵ **1,208**

WAITLIST FOR HOUSING CHOICE VOUCHERS in Lane County⁶ **2,979**

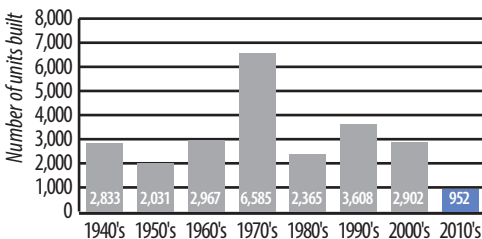
TENANT-BASED VOUCHERS in Springfield⁶ **973**

Springfield households

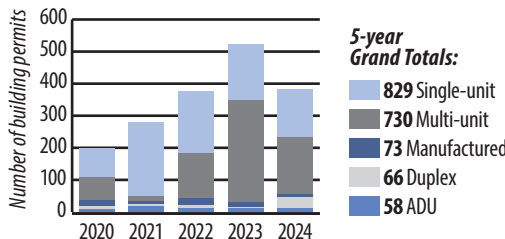


HOUSING DEVELOPMENT

Fewer homes were built in the last decade than any decade since 1940.¹



The City issued building permits for **1,756 housing units** over the last 5 years.⁴



108 Homes have been built for low-income households in Springfield **since 2018**.⁴

Springfield Area Median Income (AMI) limits for low-income households:⁸

AMI Limit	Household of 1	Household of 4	Household incomes below 80% AMI are generally considered low-income.
30%	\$18,750	\$26,750	
60%	\$37,440	\$53,460	
80%	\$49,950	\$71,300	

8-Year Outlook

Springfield needs **470 new housing units every year** for the next **8 years** to meet State housing production targets.³ This **exceeds** historic development levels.

Over the next 8 years, **2,560** (68%) of the housing units that Springfield needs are for households with **incomes at 0-80% AMI**.



1,376 Units needed at 0-30% AMI
808 Units needed at 31-60% AMI
376 Units needed at 61-80% AMI
480 Units needed at 81-120% AMI
704 Units needed at >120% AMI

Units need subsidy to be affordable at these income levels

20-Year Outlook

Springfield needs **6,937 new housing units** in the next **20 years** to address existing underproduction and projected future need.³

Of those, **4,165 units** (60%) need to be for households with **incomes at 0-80% AMI**.

SOURCES: ¹ US Census ACS 5-year (2023), ² RMLS, ³ DAS OHNA Methodology (Dec 2024), ⁴ City of Springfield (2025), ⁵ Lane County (2025), ⁶ Homes for Good (Jan 25), ⁷ CHAS (2017-2021), ⁸ HUD (2024).

Update on Current Springfield Housing Strategies Attachment 3

In this attachment and in the updated Housing Strategies Handout (Attachment 2), the housing efforts the City is currently working on are organized into categories by the type of assistance (Sheltering, Income-Qualified Housing Development, Home Ownership Assistance, and Housing Diversity and Production).

Sheltering

The City recognizes the need for assistance along the housing continuum, including services and sheltering for people experiencing homelessness. In general, the City looks to Lane County as the region's lead agency on addressing homelessness and providing social services. The City provides federal Community Development Block Grant (CDBG) funds and City general funds in support of Lane County's efforts. The City has also created multiple legal pathways to permit sheltering in Springfield. Although these efforts do not directly address housing needs, shelter provides interim accommodation which can increase stability and help individuals becoming housed.

Overnight Parking Program

The Overnight Parking Program allows religious or social institutions and industrial sites to host individuals and families in their parking lots as a means of temporary emergency shelter under Springfield Municipal Code Section 8.012. Participating sites may host up to three vehicles, campers, or trailers. The City budgets general fund dollars annually to support administration of the program. Carry It Forward (CIF) currently provides services to adult singles and couples through the program. As of December 2024, CIF was serving three people at one site.

Recreational Vehicles (RVs) as Temporary Housing

Since October 2020, the City has temporarily allowed the occupancy of RVs on private property (outside of manufactured dwelling parks, campgrounds, and the Overnight Parking Program) as a temporary measure in response to the Holiday Farm fire, COVID, and the need for additional temporary housing options in the community. RV occupants and property owners are required to follow a set of occupancy guidelines. As of December 2022, participating property owners are required to register with the City.

- As of the end of 2024, **38** property owners had registered with the City to host an RV on their property, and **28** of those registrants indicated they were currently hosting an RV.
- At the [October 21, 2024 work session](#), Council decided to explore codifying the allowance. Staff will return to Council for additional direction later this spring.

House Bill 2006 Shelter Sites

In 2021, the Oregon legislature adopted HB 2006, which requires cities to approve applications for siting emergency shelter outside of a land use process so long as certain requirements are met. The City reviews and approves these emergency shelter applications as needed at the Community Development Director level. Since the bill passed, the City has approved two shelter sites in Springfield: Mainstream Housing (2022) and Catholic Community Services (2023).

Income-Qualified Housing Development

There is significant need for more housing that is affordable to households with low-income households in Springfield (low-income households are generally considered to be households earning 0-80% of the

area median income, AMI). Several of the City's housing efforts focus on incentivizing and funding the development of income-qualified housing to serve households with low-incomes.

Income-Qualified Housing Development

As part of the Eugene-Springfield HOME Consortium, Springfield receives federal HOME funds to increase the availability of decent, income-qualified rental housing households at 65% AMI and below. The City also received various one-time funds during the COVID pandemic which it has used to support income-qualified housing development.

- **Alma Apartments:** Cornerstone Community Housing is developing a 39-unit rental apartment complex at 1875 16th Street. The development will serve households earning no more than 60% AMI. The City supported the project with \$2,054,013 in federal HOME funds through the Eugene-Springfield HOME Consortium, as well as \$578,000 in state general funds received during COVID. The project is currently under construction and is anticipated to be completed August 2025.
- **Fischer Village:** Habitat for Humanity is building 12 attached single-unit homes off Q Street near 11th Place which are for sale to households with incomes at 40-80% AMI through a land trust model. The City awarded Habitat \$300,000 in State general funds received during COVID as a forgivable construction loan in 2023 to build two homes. The City issued certificates of occupancy for both units in December 2024.
- **1566 Main Street:** In January 2024, the City used one-time federal American Rescue Plan Act (ARPA) funds received through an intergovernmental agreement with Lane County to purchase a 1.1 acre property for development with income-qualified housing to serve households with incomes below 80% AMI. Council directed staff to pair the property with the annual HOME request for proposals (RFP) process which happens every fall. No applications were received to develop the property during the 2024 cycle, however staff did receive interest in the property from a developer who was not positioned to apply during the RFP timeline. The property will be offered again through the 2025 HOME RFP.
- **1577 Laura Street:** In October 2023 the City took ownership of a 0.17 acre tax-foreclosed property from Lane County for the purpose of developing income-qualified rental housing to serve households with incomes below 80% AMI. Council directed staff to pair the property with one-time HOME American Rescue Plan Act (HOME-ARP) funding. The HOME-ARP RFP closed in January 2025 and the Eugene-Springfield HOME Consortium received two applications to develop the property. Proposals will be reviewed by the evaluation committee on March 11, 2025 and recommendations will be brought to City Council for direction on April 7, 2025.
- **367 S 52nd Street:** In October 2024 the City also took ownership of a 0.25 acre tax-foreclosed property from Lane County for the purpose of developing income-qualified homeownership housing to serve households with incomes below 80% AMI. Staff is working on an RFP process to award this property for development.
- **New Manufactured Dwelling Park:** In 2021, pursuant to HB 5006, OHCS was appropriated \$3 million from the general fund for the purposes of developing a manufactured dwelling park in Springfield. The City of Springfield, Representative Lively and SVDP advocated for these funds, acknowledging the need for housing for low-income residents and the risk of displacement facing some residents of Springfield's manufactured dwelling parks. The City received the funds in Fall 2022 and awarded them to SVDP in June 2023. Per the award, SVDP will be required to create a manufactured dwelling park in Springfield with between 40 and 100 homes, at least 51% of which must be made available to low to moderate income households.

Springfield Land Acquisition Funding

In June 2023 the City signed an intergovernmental agreement with Lane County to receive \$1.5 million in American Rescue Plan Act (ARPA) funds, originally awarded to the County, for land acquisition for income-qualified housing to serve households with incomes below 80% AMI. The City used some of these funds to purchase the property at 1566 Main Street, and Council directed staff to make remaining funds available to developers through a first-come-first served application process. Council adopted the Springfield Land Acquisition Funding guidelines to guide the award of remaining funds in July 2024. Funding must be spent by December 2025.

- SquareOne Villages applied for and was awarded funding of \$504,100 to purchase a 2-acre property off Main Street which the organization plans to develop with an approximately 40-unit cottage cluster development that will be for sale to households with incomes below 80% AMI through a housing cooperative and community land trust model.

Development Application Fee Waiver for Income-Qualified Housing Providers and Low-Income Applicants

The Springfield Development Code allows the City to waive land use application fees for income-qualified rental housing developments (60% AMI) and homeownership housing developments (80% AMI), as well as for applicants with incomes below 60% AMI (Springfield Development Code 2.1.135). This benefit was expanded from being available to non-profit developers to all income-qualified housing providers as part of a package of housing-related code amendments adopted by Council in 2024. The City has not waived any fees under this allowance since 2022.

Low-Income Rental Housing Property Tax Exemption (LIRHPTE)

The LIRHPTE program is a tool developers can access to help make an income-qualified housing project financially stable over time. The program exempts property taxes (land and improvements) for twenty years for qualifying rental housing units serving households at or below 60% AMI. The City reinstated the property tax exemption in 2018 as part of its efforts to contribute to income-qualified housing development.

- **Alma Apartments:** In January 2025, Council approved an exemption for Cornerstone Community Housing's 39-unit Alma Apartments.
- **Myrtlewood Apartments:** In 2019, Council approved an exemption for St. Vincent de Paul's 35-unit Myrtlewood Apartments.

Staff have identified an update to the State statutes enabling the LIRHPTE program that expands the definition of "low-income" which could make the program more useful to housing providers. Staff will return to Council in a future work session to discuss a potential change the Council could make to the City's LIHRPTE program to align it with this updated definition.

System Development Charges (SDC) Waiver for Homeownership

In December 2022, Council adopted a program to waive City SDCs for developers creating housing units that are sold affordably to buyers with incomes below 80% AMI through December 2025 or until \$300,000 in fees has been waived. The waiver reduces the cost of development, allowing the developer to pass those savings along to a homebuyer. The City began accepting applications in January 2023 and has approved waivers for nine homes so far for a total of \$85,019.78

- **Fischer Village:** The City approved waivers for 6 homes, saving Habitat approximately \$62,000 in SDCs.

- **Archer Development LLC:** The City approved SDC waivers for three homes at a four-unit cottage cluster development by a private developer, totaling approximately \$23,000.

In January 2025, the Willamalane Board adopted a resolution to waive Willamalane SDCs consistent with the City’s Homeownership SDC waiver beginning April 1st which will provide further savings for future applicants. Staff will return to Council in the fall for direction on whether to continue the waiver program beyond 2025 and recommended changes to the waiver if continued.

Home Ownership Assistance

Home ownership provides housing security and an opportunity for households to build equity. The City’s home ownership strategies provide assistance to both prospective and current low-income homeowners.

Springfield Home Repair Program

The Home Repair program assists Springfield’s homeowners making less than 50% AMI with home repairs using federal CDBG funds. Qualifying households can receive assistance with repairs to address threats to the health and safety of occupants (e.g. to failing electrical, plumbing, and heating systems) and accessibility needs.

- In FY24, the Home Repair Program assisted 76 unique households with a home repair.
- As of early February, during FY25 the program has so far served 55 unique households with a total of 87 repairs.
- In FY 2020, the City raised the assistance limit per household from \$5,000 to \$10,000 over a five-year period. Since then, repair costs have continued to rise and staff are seeing more costly repair estimates. In some cases, repair estimates for a job have been over the \$10,000 limit for the five-year period. Staff is evaluating potential administrative changes to the program to address inflation and high-cost repairs.

Springfield Homeownership Assistance Program (SHOP)

SHOP provides financial assistance to first-time homebuyers making less than 80% AMI as an interest-free loan using CDBG funds. In Fall 2022, the City made changes to the program to make it more flexible after several years of not issuing a loan. These changes included expanding eligible SHOP expenses and increasing funds available per household from \$7,000 to \$25,000. The City partners with DevNW, a local non-profit experienced in first-time homebuyer education and assistance, to help administer the program.

- In FY24, four families received homeownership assistance loans of \$25,000 each to purchase a home in Springfield. As of early February, the City had not yet issued any SHOP loans during FY25.

Housing Diversity and Production

Springfield has a need for more housing of all housing types and at all income levels. Several of the City’s housing strategies are focused on increasing the diversity and overall supply of housing in the community to serve households at a variety of income levels and phases of life.

Springfield Development Code Updates

The City has pursued several updates to the Springfield Development Code in recent years to encourage housing development in Springfield and comply with changes in State law. In June 2022, Council adopted the updated Development Code to support efficient, timely, and clear development review. This update

included adoption of a clear and objective development review option for housing, as well as incorporating State middle housing laws to allow more dwelling types in the R-1 land use district (duplexes through cottage clusters). This update supported housing by streamlining the development process to make it more predictable, and by allowing for a more diverse housing stock.

In July 2024, Council adopted the Housing Opportunities in Non-Residential Areas code amendments to comply with State legislation and to allow and encourage the development of income-qualified housing. The amendments allow income-qualified housing meeting certain requirements to be built in land use districts that otherwise restrict housing development. The amendments also allow for commercial conversions to residential use under certain circumstances.

Thanks to funding support from the Department of Land Conservation and Development (DLCD), the City is now working with a consultant on proposed amendments to the mixed-use land use districts in the Development Code to support housing development and provide a clear and objective path for development review in those districts.

Accessory Dwelling Units (ADUs)

ADUs provide an opportunity to add housing to new and existing neighborhoods, and to accommodate changes in household composition over time. The City has taken several steps in recent years to encourage their development, including changes to the Development Code, waiving City system development charges (SDCs) through June 2027, and making a pre-approved set of building plans available for use which meet the City’s ADU requirements.

- Since April 2018 when the City began tracking ADUs as a dwelling type, building permits have been issued for 73 ADUs (through December 2024). Around ten ADUs per year have been constructed over the last five years. A map of ADUs in Springfield is available as Attachment 4.

Year	ADUs Constructed
2020	14
2021	6
2022	12
2023	10
2024	11
5-Year Total:	53

- Below are the City SDCs the City has waived for ADUs that have received building permits for the last few fiscal years:

Fiscal Year	ADU SDC Fees Waived	ADU Count
2023	\$60,564.78	8
2024	\$100,406.48	14
2025 (thru Dec 2024)	\$7,467.79	1

Housing Diversity Tax Exemption

In May 2024 Council adopted the Housing Diversity Tax Exemption (HDTE) program to incentivize the development of multiple-unit housing in selected transit-served areas of Springfield. The HDTE is a 10-year property tax exemption on qualifying new improvements. Following Council’s approval, the City

requested and received sufficient support from other taxing districts for the program that it will apply to all property taxes, not just the City's share. The City made the program available in late summer 2024 and has not yet received an application for the exemption.

Other Housing-Related Updates

- **Rental Rehabilitation:** On February 18, 2025, the Council approved a substantial amendment to prior year CDBG action plans to reallocate \$324,948 in unspent federal CDBG funds toward rehabilitation of income-qualified rental housing serving households with low incomes (80% AMI).
- **2025 Consolidated Plan:** Every five years Springfield must complete a new Consolidated Plan to receive its allocation of federal Housing and Urban Development (HUD) funds, including the CDBG grant and HOME grant (received through the Eugene-Springfield HOME Consortium). The Consolidated Plan presents an assessment of local housing, homelessness, and community development needs, identification of priority needs for use of funds received from HUD and presents strategies to address the priority needs. Since 1992, Eugene and Springfield have worked together to develop the Eugene-Springfield Consolidated Plan. Eugene staff led and Springfield staff assisted with the most recent update to the Consolidated Plan which was approved by the Consolidated Plan Advisory Committee in December 2024. The Plan will come to Council for a resolution of approval this Spring.
- **Renter Assistance:** For this update to the Housing Strategy and Housing Strategy Handout, the "Renter Assistance" category was removed. During the COVID pandemic the City received one-time CDBG coronavirus relief (CDBG-CV) funds which Council allocated toward emergency household assistance for renters through Lane County and toward the Springfield-Eugene Tenant Association (SETA) tenant hotline. Those funds have been spent.

STATE OF HOUSING IN SPRINGFIELD AND OREGON

Statewide

Cities across Oregon are challenged by a lack of housing availability and affordability. The governor and legislature have responded by prioritizing housing production and affordability statewide through legislative changes, rulemaking, and funding. Among these actions are significant changes to Oregon’s required land use housing planning (Goal 10). Oregon Housing and Community Services (OHCS) has also produced the first [State of the State’s Housing Report](#). Some findings from that report are summarized below.

Not enough housing is being built to keep pace with the need.

- Oregon’s population **grew 55% faster** than the national average from 2004-2023. Oregon’s share of new residents was **more than double** the national average every year from 2016-2019. This put extreme pressure on housing markets.
- Oregon had **1.5** new residents per permitted housing unit in the early 2000s. In 2009 after the start of the Great Recession it was **4.5** new residents per permitted housing unit and from 2015-2019 it was **3** new residents per permitted housing unit.
- According to the Oregon Housing Needs Analysis, Oregon needs more than **500,000 new housing units** over the next 20 years to accommodate current housing needs (based on underproduction and housing units for people experiencing homelessness) as well as future housing needs (based on expected population growth, expected housing units that will be lost to second and vacation homes, and units to accommodate expected demographic change).

Housing prices in the for-sale market have increased and remain high despite rising interest rates.

- Home prices rose rapidly during the pandemic and have remained “sticky,” resisting downward market pressure although interest rates have gone up and listings and sales declined from 2021-2023.

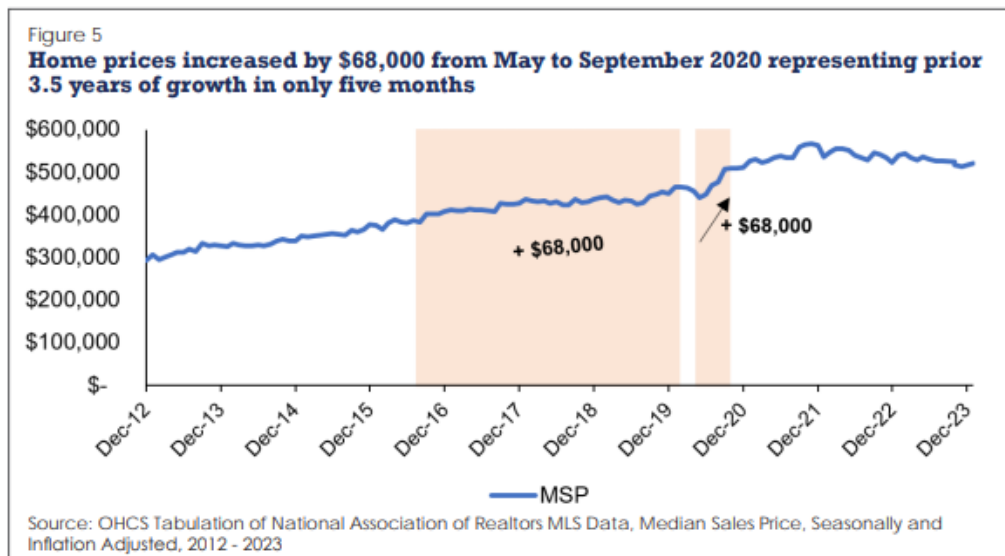


Figure 5 shows prices for single-unit homes (p.18 of State of the State’s Housing Report).

- As of 2023, a typical home in Oregon **cost \$528,000**, which is **24% more** than the U.S. average.

Rents are also increasing, and more renters have low incomes.

- Rental prices are also sticky and resistant to downward pressure. Rent was stable going into 2020 but rose sharply during the pandemic and has not returned to pre-pandemic prices.
- Renters make up **37%** of Oregon households but **51%** of households earning 80% AMI and below.
- Evicted in Oregon data indicates that **75-85% of evictions** in Oregon are due to **non-payment of rent** rather than other causes. Eviction filings **increased 139%** between 2021 and 2022, although pandemic renter protections were in place until June 2022.

Wage increases have not kept pace with housing cost increases

- Historically, Oregon wages have been below the U.S. average and only reached the U.S. average in 2022.
- Only **29%** of households could afford to buy a typical home in 2023. For **every \$1** in wage increases Oregonians earned from 2013-2022, the **median sales price of a home increased by \$7.10**.
- More than **50 cents of every new dollar** renters earned over the last 5 years went toward rent increases. The number of renter households who are cost burdened **increased 11%** from 2019-2022, and more than **one quarter** of renters are severely cost burdened (paying 50% or more of income on housing).
- In 2023, only **47% of employed Oregon residents** could afford a typical 1-bedroom apartment.

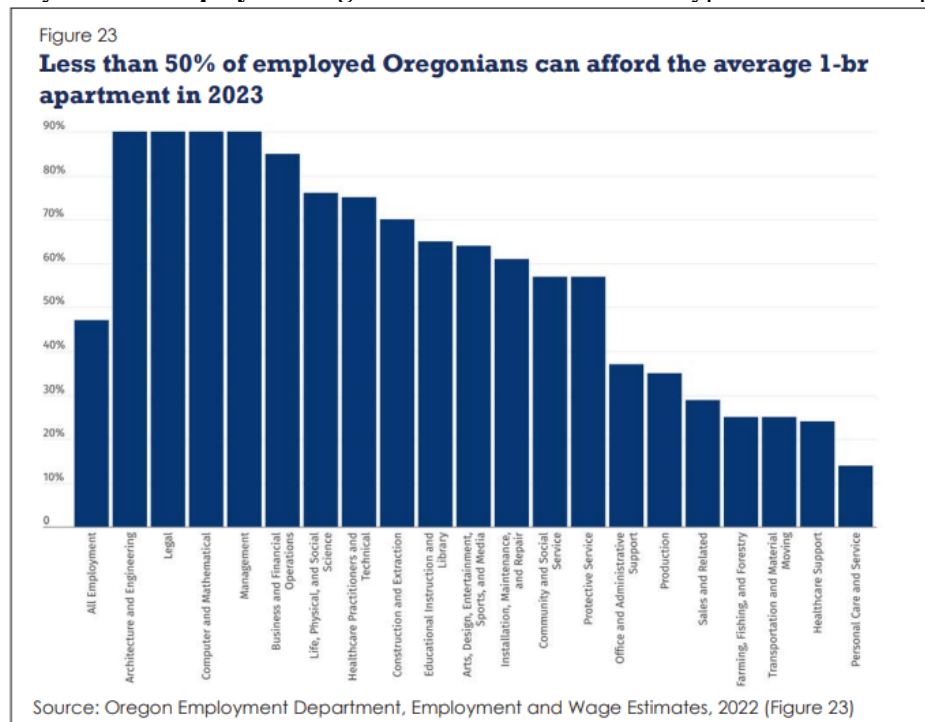


Figure 23 shows the percentage of OR workers by field that can afford a 1-bed apartment (p. 35).

- High interest rates further challenge affordability by decreasing buyer purchasing power. The typical Oregon family could not afford to buy a house at the median sales price, even with low interest rates (as shown on the x axis in Figure 12).

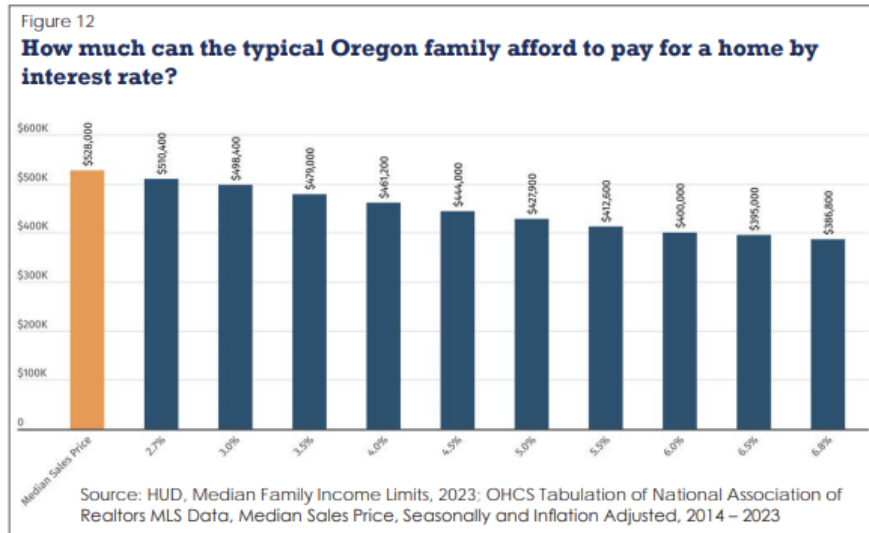


Figure 12 shows the home price a typical OR family could afford at different interest rates (p. 23).

There is a deficit of regulated income-qualified housing to serve households with low incomes.

- Oregon has **deficit of 128,000 units** available and affordable to households that earn at or below 50% of the area median income (AMI).
- There are **4.2 families in need for every unit** available to households earning at or below 30% AMI.

There are many Oregonians experiencing homelessness.

- Oregon ranks **3rd in the nation** per capita for people experiencing homelessness behind only New York and Vermont.
- From January 2020 to 2023, homelessness in Oregon **grew by 37%**, which is the **8th fastest increase** in the nation over that period.
- In 2023, **3 in 10** people experiencing homelessness were chronically homeless.
- Oregon ranked **1st in the nation** for unsheltered homelessness among families with children in 2023.

Springfield¹

As of 2023, Springfield’s population was **61,642 people**. Springfield’s population is growing and is expected to continue doing so according to draft projections from Portland State University’s (PSU) Population Research Center (official projections available mid-2025). Springfield will need a significant number of new housing units over the next two decades based on the State’s new approach to calculating housing need regionally and accounting for underproduction, units lost to second/vacation homes, and housing for the homeless (more detail in Attachment 1 under the Springfield Housing Need & Production Targets section).

¹ Unless otherwise noted, data in this section comes from the 2023 U.S. American Community Survey, 5-year estimates.

Overview of Springfield's existing housing stock.

- Total housing units: **25,485**
- Springfield has a mix of housing types, but the majority (**57%**) of houses are single unit detached.
- **55%** of homes are owner-occupied and **45%** are occupied by renters.

Following State trends, Springfield has not been building enough housing to meet needs.

- Very low vacancy rates indicate that Springfield does not have enough housing to meet demand. The rental vacancy rate is just **2.1%** and the owner vacancy rate is **0.4%** (compared to healthy rates of 5% and 2% respectively).
- Significantly less housing was built in Springfield in the decade following the Great Recession (2010-2019) than **any prior decade** going back to 1940. Just **3.7%** of Springfield's houses were built in that decade which is **less than half** of the share of Springfield's housing that was built in any other decade back to 1940.
- According to the City's permit data, Springfield has issued significantly more residential building permits in the last 4 years than the prior six years, with 2023 setting the record for the last decade at **521 permitted units**. The second highest was in 2024 with **382 permitted units** (see Attachment 4 for more details). However, development over the last decade has not come close to Springfield's new housing production targets that are set by the State which show that Springfield **needs 470 new units per year** over the next 8 years (see the Springfield Housing Need & Production Targets section in Attachment 1 for further discussion).

Housing costs have increased in both the for sale and rental markets in Springfield.

- The average sales price for a home in Springfield in 2024 was **\$425,825**.² That is a **48% increase** from the pre-COVID 2019 average sales price. During the last 5 years (2020-2024) the average price peaked in 2022 at \$434,873, then fell slightly in 2023-2024.
- The median rent in Springfield was **\$1,201** in 2023. This is a **29% increase** from the median rent pre-COVID in 2019 and a 16% increase over just two years from 2021 to 2023.

Many Springfield residents do not earn enough to keep up with rising housing costs. Renters earn less than homeowners and are more impacted.

- Springfield's median household income of **\$67,211** is over \$13,000 lower than Oregon's median household income.
- The median household income of Springfield renters is around **\$32,000 less** than that of owners.
- **15.5%** of Springfield households are at or below poverty level.
- Countywide, as of 2022, **47%** of households were living in poverty or qualified as ALICE households.³ While the number of households in Lane County increased by 3% from 2019-2021, the population living below the ALICE threshold increased 8%.

² Source: Regional Multiple Listing Service (RMLS).

³ ALICE households are asset limited, income constrained, employed households earning above the federal poverty level that cannot afford the basic cost of living in their county. Source: United for ALICE, 2023 Oregon Report and 2022 Oregon County Reports.

- About **one third** of Springfield households are cost-burdened (paying 30% or more of income on housing).⁴ The rate of cost-burden for renters is significantly higher (44% of renters versus 24.3% of homeowners). Almost **one quarter** (23%) of renters are severely cost-burdened (paying more than 50% of their income on housing).

Springfield has a need for more housing that is affordable, including regulated income-qualified housing to serve households with low incomes and people experiencing homelessness.

- At some point during 2024, **1,208 people** in Springfield experienced homelessness.⁵ **26%** were chronically homeless, **82%** were unsheltered, and **20%** were minors.
- Since 2018, the City is aware of **108 new units of income-qualified housing** built to serve households with incomes at or below 80% AMI (35-Myrtlewood Apartments, 69- Hayden Bridge Landing, 2- C Street Co-op, 2-Fischer Village). An additional **49 units** are in development (10-Fischer Village, 39- Alma Apartments).
- As affordability periods end for regulated income-qualified housing, Springfield may lose existing income-qualified housing, such as a **17 unit** apartment complex in Downtown Springfield which has an affordability period expiring in 2026.⁶
- Homes for Good, which manages housing vouchers for the County, reported **973 vouchers in use** in Springfield. Homes for Good’s waitlist for Housing Choice Vouchers (Section 8) is closed with approximately **2,979 households waiting for a voucher**.

Springfield will also need to consider the housing needs of an aging population and people with disabilities.

- **16%** of Springfield’s residents are over the age of 65.
- According to PSU’s Population Research Center, Lane County’s population share over 65 has continued to increase with more deaths than births since 2014. Preliminary forecasts from PSU are projecting an increase in the death rate with an aging population and continued low birth rates with population growth driven by in migration.
- **18.3%** of Springfield residents have a disability, including 8.4% with an ambulatory difficulty, which necessitates consideration of the physical accessibility of housing units.

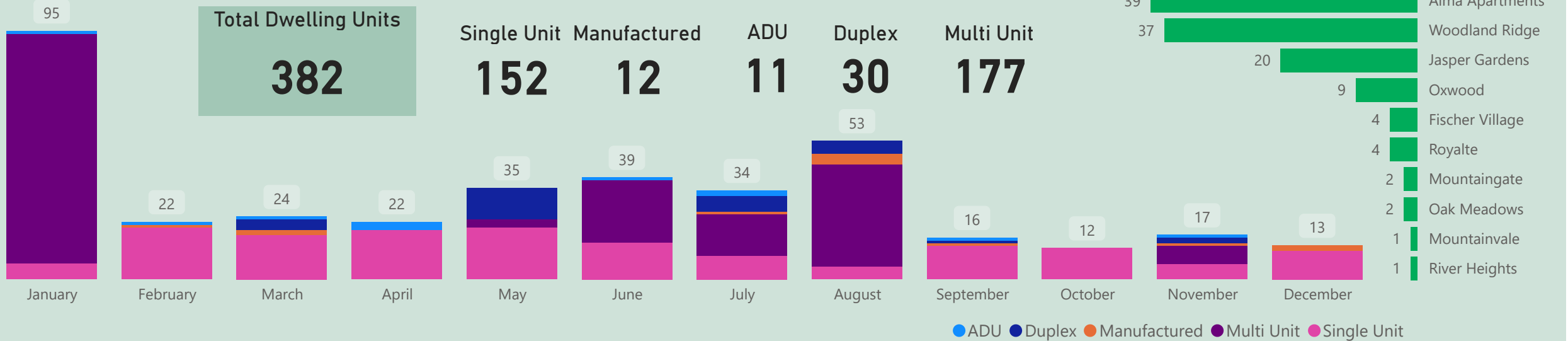
⁴ Source: U.S. Department of Housing and Urban Development, Comprehensive Housing Affordability Strategy (CHAS) data 2017-2021.

⁵ Source: Lane County, Homelessness in Lane County, OR dashboard.

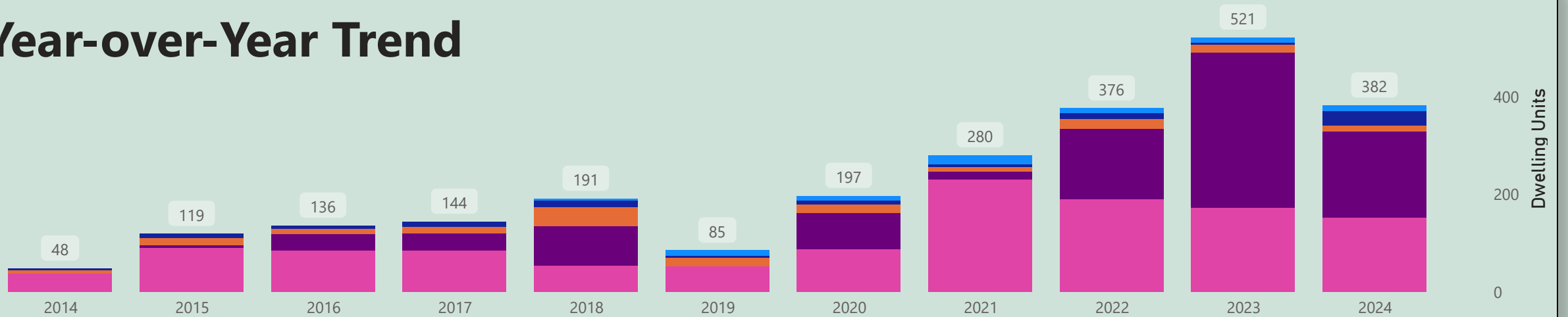
⁶ Source: Oregon Housing and Community Services, Expiring Affordability Restrictions dashboard.

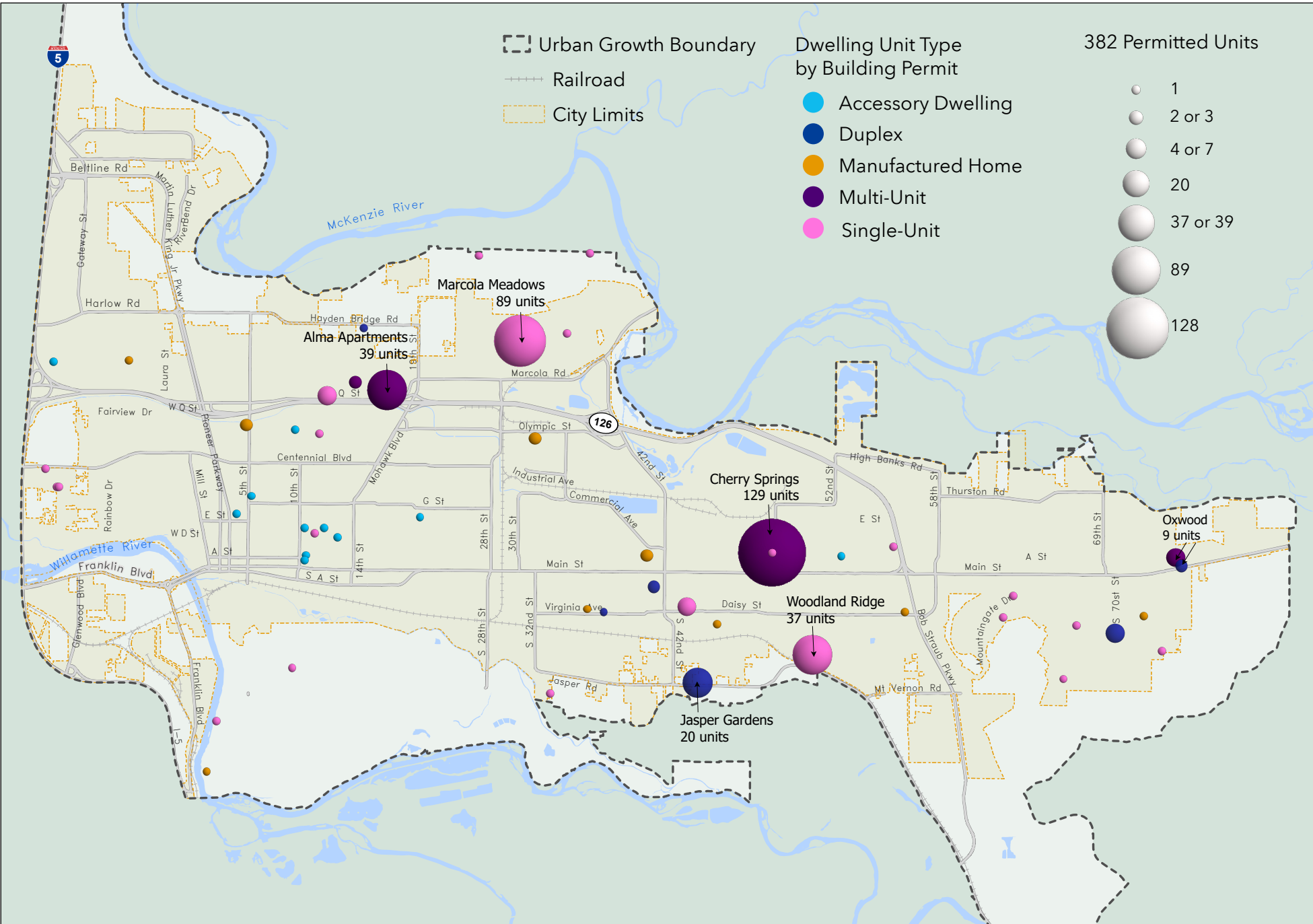
2024 Year In Review

This data represents building permits encompassing dwelling units issued in the calendar year 2024.



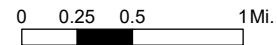
Year-over-Year Trend

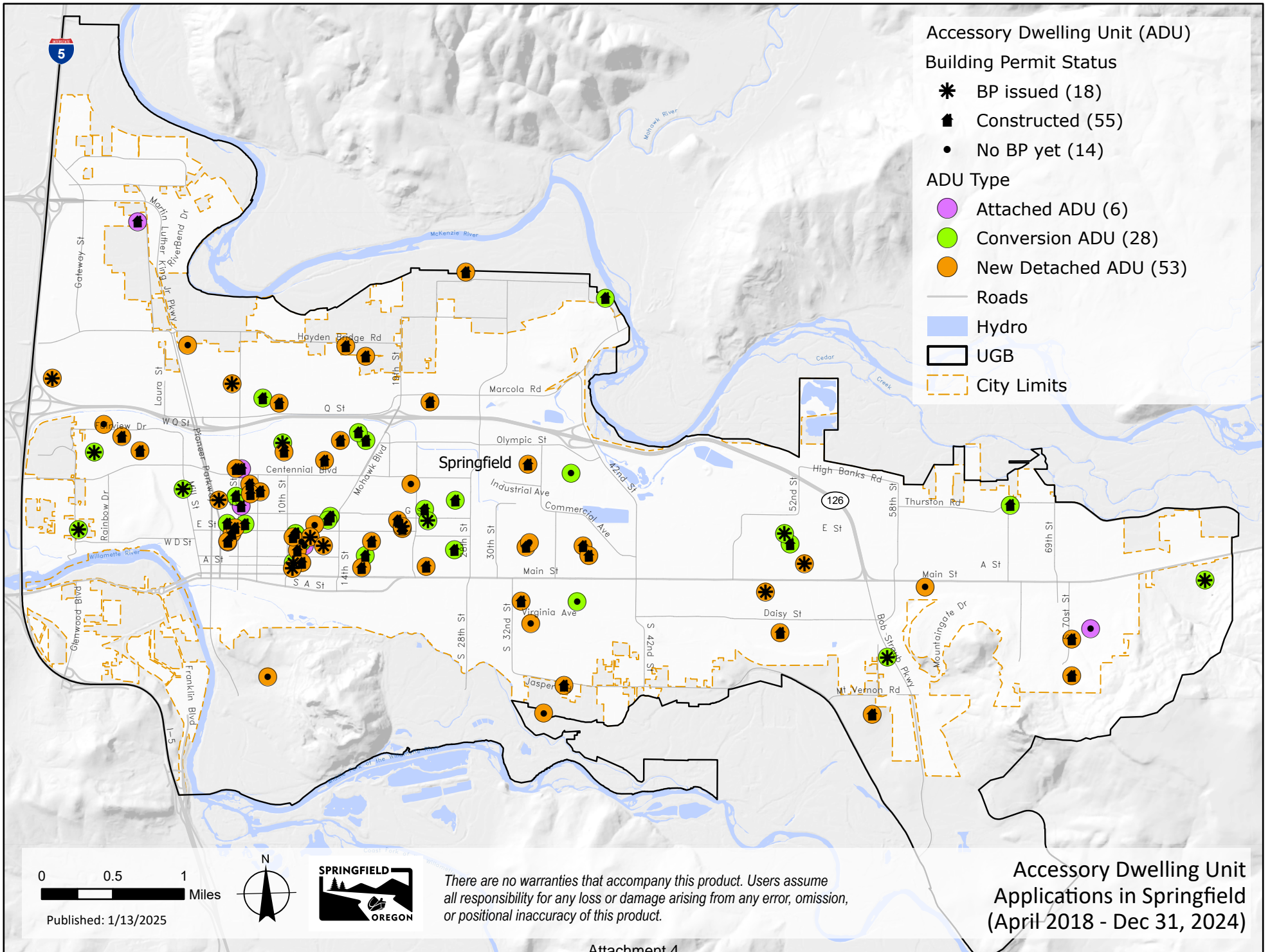




City of Springfield Dwelling Unit Permits Issued in 2024

There are no warranties that accompany this product. Users assume all responsibility for any loss or damage arising from any error, omission, or positional inaccuracy of this product.





Potential Housing Production & Displacement Mitigation Strategies for Climate-Friendly Areas

The CFEC rules require that cities include findings in the Climate-Friendly Area (CFA) adoption package that identify existing and new tools or strategies to promote the development housing that is affordable to a range of incomes and mitigate displacement of members of state and federal protected classes. Springfield staff reviewed the State’s list of Housing Production Strategies (HPS) to identify potential new tools or strategies that can address housing production and displacement mitigation. Cascadia Partners explored these tools further to create this document that provides descriptions to support informed selection of tools in findings for the CFAs adoption package and to consider further as part of the upcoming HPS work. Some key takeaways include:

- Most tools would be new to Springfield, but a few are existing tools that could be expanded, such as limiting short-term rentals, pre-approved plan sets, fee waiver for income-qualified housing, Low-income Rental Housing Property Tax Exemption (LIRHPTE), urban renewal districts, and public/private partnerships.
- Some tools focus on income-qualified housing, such as the Construction Excise Tax, Moderate Income Housing Revolving Loan, fee waiver for income-qualified housing, and LIRHPTE.
- Most tools could benefit either ownership or rental housing, with a few tools specifically geared toward renters such as LIRHPTE and renter protections.

Each of the tools are organized into one of these categories:

Design & Development	Streamlined development processes, including pre-approved plans and design standards that promote diverse housing options.
Regulatory Changes	Adjustments to development codes, land use policies, or regulations to manage development and mitigate displacement.
Financial Tools	Subsidies, tax incentives, or grants aimed at supporting housing affordability and preventing displacement.
Partnerships & Redevelopment	Collaborative efforts between public and private sectors to promote equitable development and reduce displacement risk.
Tenant Support	Anti-displacement measures such as renter protections.

Each tool has the following organizing headers:

Strategy or Tool Name	The name of the strategy or tool. Those marker with an asterisk indicates existing tools in Springfield that could be expanded.
Description	A summary of the tool's purpose and how it works. For tools that already exist in Springfield, a brief explanation of how the tool could be expanded is included.
Housing Production Constraint	<p>Ranking: This measures the extent to which the tool may limit, delay, or otherwise hinder the production of new housing.</p> <p>N/A: The tool does not apply to housing production or is irrelevant to this context.</p> <p>0 – None: The tool has no measurable impact on new housing production.</p> <p>1 – Some: The tool has a minor or indirect effect on housing production, such as slightly increasing costs or timelines, but the impact is minimal.</p> <p>2 – Moderate: The tool noticeably affects housing production by introducing delays, increasing costs, or imposing restrictions that developers must overcome, however, these impacts are surmountable.</p> <p>3 – Significant: The tool significantly constrains housing production by creating major delays, high costs, or restrictive requirements that limit the feasibility of many projects.</p> <p>Justification: A written assessment of how the tool may limit housing production.</p>
Capacity for New Affordable Housing	<p>Ranking: This measures the tool’s ability to support or enable the production of affordable housing.</p> <p>N/A: The tool does not apply to affordable housing or has no discernible impact on affordability.</p> <p>0 – None: No measurable impact on the production of affordable housing. The tool does not directly facilitate or constrain affordable housing.</p> <p>1 – Some: Minor positive or indirect impact on affordable housing production.</p> <p>2 – Moderate: Creates noticeable opportunities for affordable housing production through funding, incentives, or regulatory changes.</p> <p>3 – Significant: Substantially increases the production of affordable housing through major funding commitments, regulatory mandates, or other transformative actions.</p> <p>Justification: A written assessment of the tool's ability to create new affordable housing units. Some strategies could indirectly benefit affordable housing while others directly provide subsidy to make housing affordable to specific income levels. Notes are included for tools that have an income-qualified housing component.</p>
Capacity for New Ownership Housing	<p>Ranking: This measures the tool’s ability to support or enable the production of new owner-occupied housing.</p> <p>N/A: The tool does not apply to ownership housing or has no discernible impact on this tenure type.</p> <p>0 – None: No measurable impact on the capacity for ownership housing. The tool does not directly facilitate or constrain ownership housing production.</p> <p>1 – Some: Minor positive or indirect impact on the capacity for ownership housing.</p> <p>2 – Moderate: Creates noticeable opportunities for ownership housing through targeted incentives or streamlined processes.</p> <p>3 – Significant: Substantially increases the capacity for ownership housing by enabling large-scale development or significantly reducing barriers.</p> <p>Justification: A written assessment of the tool's ability to create ownership housing opportunities given Council’s interest in supporting more homeownership opportunities during the June 24, 2024 Council work session on CFAs.</p>

Key Terms

Income-qualified housing is housing reserved for households within certain income limits. It may be (but is not always) subsidized to lower costs for residents so specific populations can more likely afford it. When income-qualified housing is subsidized, it is often referred to as “affordable housing”.

Affordable housing is housing priced so that a household at or below median income pays no more than 30% of its total gross income on housing and utilities.

Housing affordability, in contrast, is applicable to households of all income levels. Housing is considered affordable if a household spends less than 30% of its gross income on housing-related costs, including utilities.

Area median income (AMI) is calculated annually by the US Department of Housing & Urban Development (HUD) for Lane County using the median family income and adjusting for different household sizes. AMI limits are used to determine eligibility for many housing incentives and programs.

Resources Needed	<p>Ranking: This measures the level of effort, funding, and staff time required to implement the strategy/tool.</p> <p>N/A: The tool does not require any additional resources, or resource needs are not relevant to this strategy.</p> <p>0 – None: Requires no new staff, funding, or resources to implement. Can be implemented with existing capacity and processes.</p> <p>1 – Some: Requires minor resources, such as part-time staff support, occasional meetings, or one-time funding for small adjustments.</p> <p>2 – Moderate: Requires noticeable resources, such as the addition of dedicated staff, regular interdepartmental coordination, or recurring funding to maintain implementation.</p> <p>3 – Significant: Requires substantial and ongoing resources, including new departments or major funding commitments, to implement and sustain.</p> <p>Justification: A written assessment of the resources (financial, time, effort) required to implement the strategy.</p>
Key Actors	The key actors needed to implement the tool or strategy. “Public approval bodies” typically refers to Council making a final decision to implement a strategy or tool. Planning Commission is involved in the decision-making process for Springfield Development Code amendments. If any code amendment applies to land outside the city limits, Lane County will also be part of the decision-making process. Taxing districts are involved in decisions for financial tools that impact property taxes.
Impact on City Revenue	<p>The tool or strategy’s impact on City revenue is noted in three categories:</p> <p>Generate - Generates new revenue for the City.</p> <p>Forego - The City forgoes revenue to implement this tool.</p> <p>Neutral - The strategy neither generates new revenue nor foregoes revenue.</p>
Impact on Displacement or Specific Needs	Any additional notes on the impact of the strategy on displacement mitigation that primarily comes from the State’s HPS list. The project team added some notes for tools not captured in the State’s list.

Potential Tools or Strategies for Council Consideration:

Category	Strategy or Tool Name <small>*Existing, could be expanded</small>	Description	Housing Production Constraint		Capacity for New Affordable Housing		Capacity for New Ownership Housing		Resources Needed		Key Actors	Impact on City Revenue	Impact on Displacement or Specific Needs
			Ranking	Justification	Ranking	Justification	Ranking	Justification	Ranking	Justification			
Design & Development	Pre-Approved Plan Sets for Different Housing Typologies*	Provide pre-approved plan sets for different housing typologies (e.g., cottage cluster, townhome, SRO). Currently, Springfield has pre-approved plans for a single unit home and an accessory dwelling unit. The plans would be highly efficient, designed for constrained lots and low cost solutions, and would allow for streamlined permitting. This would help attract developers that typically develop only single dwelling units to consider other typologies. Consider partnering with a university, design firm, or developing a competition to produce plans.	0 - None	This strategy will not limit housing production and may speed it up due to pre-approved designs that reduce permitting time and cost, attracting developers interested in different housing typologies.	1 - Some	This strategy facilitates the production of new housing units, some of which could be affordable housing.	1 - Some	This strategy facilitates the production of new housing units which may be intended for owners or renters.	1 - Some	Requires initial staff time to select and approve plan sets that align with regulations. Ongoing resources will support periodic updates as codes evolve and new or modified plan sets are needed.	City staff, developers, architects	Neutral	Middle housing types can have a medium impact on preventing displacement, with planning and continued monitoring of production. Incentives or programs for income-qualified housing could increase the impact.

Category	Strategy or Tool Name <small>*Existing, could be expanded</small>	Description	Housing Production Constraint		Capacity for New Affordable Housing		Capacity for New Ownership Housing		Resources Needed		Key Actors	Impact on City Revenue	Impact on Displacement or Specific Needs
			Ranking	Justification	Ranking	Justification	Ranking	Justification	Ranking	Justification			
Design & Development	Accessible Design Incentives and Plan Options	Provide incentives to increase the number of units designed to meet universal design, visitability standards, and other similar accessible design standards. Examples of incentives include expedited review and permitting processing, planning and building fee reductions, system development charge deferrals, and density or building height bonuses. This strategy could also include providing pre-approved accessible housing plan set options for developers.	0 - None	This strategy will not limit housing production and may speed up the production of more accessible units.	N/A	No direct relationship between this strategy and the creation of new affordable housing.	N/A	No direct relationship between this strategy and the creation of new ownership housing. However, this strategy could support housing in general.	1 - Some	Requires staff resources to determine what appropriate incentives to offer and the level of accessibility to meet. Ongoing resources are needed to monitor program and make any changes. Depending on the incentive, staff may be responsible for implementation (e.g., code updates, program resolution)	City staff, developers, architects, public approval bodies	Neutral	Directly addresses housing needs for people with disabilities. People 65 years and older could also benefit from accessible design.
Regulatory Changes	Re-examine Requirements for Ground Floor Retail/Commercial	Critically re-assess requirements for ground floor commercial. Active streetscapes are a worthy goal, but may not make sense for every street. Jurisdictions can inadvertently impose massive costs on developers by requiring ground floor commercial space even when it's unlikely to be fully occupied or generate nearly enough revenue to pay for itself. Ground floor uses should be driven by market demand; with residential uses being more beneficial to meet needed housing in some cases.	0 - None	This strategy will not limit housing production and may allow for additional housing supply if there is more flexibility to provide a mix of uses based on market demand rather than having specific requirements for ground floor commercial that could limit development in some cases.	1 - Some	Some impact, as allowing more residential space on ground floors could increase housing opportunities which may include units that are affordable.	1 - Some	Some impact, as allowing more residential space on ground floors could increase housing units in mixed-use developments but this tool does not specifically target ownership housing.	2 - Moderate	Moderate staff resources needed for analysis, stakeholder engagement, and code adjustments to align ground floor commercial requirements with market demand and development viability. Consultants are currently working with the City to streamline code for mixed-use districts citywide and could recommend changes to ground floor commercial requirements.	City staff, public approval bodies	Neutral	Provides the opportunity to provide more units at ground level which are easier to construct as accessible units.

Category	Strategy or Tool Name <small>*Existing, could be expanded</small>	Description	Housing Production Constraint		Capacity for New Affordable Housing		Capacity for New Ownership Housing		Resources Needed		Key Actors	Impact on City Revenue	Impact on Displacement or Specific Needs
			Ranking	Justification	Ranking	Justification	Ranking	Justification	Ranking	Justification			
Regulatory Changes	Mixed Housing Types in Master Plans	Require or incentivize a mix of housing types within Master Plans.	1 - Some	If requiring a mix of housing types, this could potentially impact housing production depending on the types of housing required and how that aligns with market demands or project viability. Providing incentives for a mix of housing types allows for flexibility to respond to market demands without a strict requirement for a certain housing mix.	1 - Some	The impact on affordable housing will heavily depend on the types of incentives used (e.g., if there's an income-qualified housing requirement) and housing types that are encouraged.	1 - Some	The impact on ownership housing will heavily depend on the types of incentives used and housing types that are encouraged.	2 - Moderate	Requires moderate resources to update code, develop incentives, and provide oversight to ensure compliance with housing type requirements or incentives within PUDs.	City staff, public approval bodies	Neutral	Middle housing types can have a medium impact on preventing displacement, with planning and continued monitoring of production. Incentives or programs for income-qualified housing could increase the impact.
Regulatory Changes	Limit Short-Term Rentals to Protect Long-Term Housing Supply*	Short-term rentals (STR) can be seen as an investment strategy for small investors, but can also remove rental housing supply from the market, in effect limiting the availability and possibly driving up rental costs. To avoid this effect, regulations can include definitions for various forms of STR, defining use and occupancy standards, and even adding limits to the number of days that a STR can be in operation in order to mitigate their impact on the local housing market. STR regulations should include registration requirements. The City of Springfield has some code regulations for STRs, including defining them as being occupied for less than 30 consecutive days. STRs that are not used as a primary residence are classified as a Type 2 and require a public hearing and Discretionary Use approval by Planning Commission.	N/A	This strategy has no impact on housing production constraint.	N/A	This strategy has no direct relationship to the creation of new housing, but could indirectly support housing affordability.	N/A	No direct relationship between this strategy and the creation of new ownership housing.	3 - Significant	Requires staff to research and determine the extent of the program. STR regulations need to be drafted, vetted, and adopted. Ongoing resources are needed for regulatory enforcement to ensure compliance with program specifications.	City staff, public approval bodies	Neutral	High impact on mitigating potential displacement, especially in neighborhoods with hot housing markets.

Category	Strategy or Tool Name <small>*Existing, could be expanded</small>	Description	Housing Production Constraint		Capacity for New Affordable Housing		Capacity for New Ownership Housing		Resources Needed		Key Actors	Impact on City Revenue	Impact on Displacement or Specific Needs
			Ranking	Justification	Ranking	Justification	Ranking	Justification	Ranking	Justification			
Financial Tools	Demolition Taxes	Jurisdictions establish demolition taxes as a way to generate revenue and replace housing lost to demolition. The proceeds from demolition taxes are typically deposited in a Housing Trust Fund to support income-qualified housing activities. To ensure that a demolition tax on residential development does not deter needed redevelopment, this strategy should only be applied if the housing replacement is a 1:1 replacement or has lower density. If the proposed development is denser than the original structure, there should not be a demolition tax.	1 - Some	Minor limitation on production since it's targeted at maintaining or increasing density; taxes are waived if redevelopment replaces or exceeds original density.	2 - Moderate	Revenue generated from demolition taxes could be used for income-qualified housing depending on how the program is structured. In cases where development is denser than a 1:1 replacement, no demolition taxes are collected which may encourage the production of new units.	1 - Some	The revenue generated from taxing demolitions could be used for both income-qualified ownership and rental products. In cases where new development is denser than a 1:1 replacement, no demolition taxes are collected which may also encourage the production of new units.	2 - Moderate	Staff resources required to establish and maintain the tax collection system, monitor redevelopment compliance, and administer collected funds.	City staff, public approval bodies	Generate	Medium impact to prevent displacement in strong housing markets with many demolitions, and includes the potential to fund income-qualified housing. Recommend monitoring results and impacts.
Financial Tools	Construction Excise Tax (CET)	A CET is a tax on construction projects that can be used to fund housing affordable to households earning 100% Area Median Income (AMI) or below. According to State statutes, the tax may not exceed 1% of the permit valuation for residential construction permits. The tax may be imposed on improvements to real property that result in a new residential structure or additional square footage in an existing residential structure. It is also optional to tax non-residential construction.	2 - Moderate	Imposes a moderate constraint as implementing this strategy can increase overall development costs. The overall strength of the market will play a role in the impact of this tool - stronger markets with higher development activity have more opportunities to capture this tax.	3 - Significant	Significant impact due to dedicated funds from the CET being used to directly support housing affordable to households earning 100% AMI or below construction and subsidies.	1 - Some	Some positive impact on ownership housing if funds are allocated to income-qualified homeownership programs, making entry-level housing more accessible. However, it could have an impact on market-rate housing production.	3 - Significant	Significant staff resources needed due to administrative oversight, tax collection, and fund distribution for income-qualified housing initiatives.	City staff, public approval bodies	Generate	Recommend monitoring results and impacts.

Category	Strategy or Tool Name <small>*Existing, could be expanded</small>	Description	Housing Production Constraint		Capacity for New Affordable Housing		Capacity for New Ownership Housing		Resources Needed		Key Actors	Impact on City Revenue	Impact on Displacement or Specific Needs
			Ranking	Justification	Ranking	Justification	Ranking	Justification	Ranking	Justification			
Financial Tools	Moderate Income Housing Revolving Loan	Senate Bill 1537 (2024) allocated \$75 million to create a revolving loan fund for the development of housing affordable to households earning 120% AMI or below. The bill gave Oregon Housing and Community Services (OHCS) the authority to make zero-interest loans to cities and counties who then award those funds in the form of grants for eligible housing developments to cover eligible costs. The interest-free loans can significantly reduce upfront development costs. Local jurisdictions pledge the amount of the increased property tax revenues to repay the loan over 10 years. After project completion, grantees (i.e. developers) pay an annual fee for 10 years to the local jurisdiction in order to repay the loan. After loans are paid, the fee terminates and full property taxes are retained by the local jurisdiction.	0 - None	This strategy will not limit housing production and will make development more feasible which could lead to more housing production.	2 - Moderate	The City could utilize loans and partner with developers to build new income-qualified housing that could include ownership and rental products.	2 - Moderate	The City could utilize loans and partner with developers to build new income-qualified housing that could include ownership and rental products.	2 - Moderate	City resources are needed to apply for and manage loan applications, promote the strategy, connect with developers, and monitor and report necessary information back to the State.	City staff, public approval bodies, developers, OHCS	Forego	--
Financial Tools	Fee Waiver for Income-Qualified Housing*	The City of Springfield currently allows fee waivers for income-qualified housing providers dependent on the conditions listed in Springfield Development Code 2.1.13(C). Under the current code, fee waivers apply to ownership housing below 80% AMI and rental housing below 60% AMI. This tool could be modified to allow for an increased cap of housing units approved per year (currently 50 units per year or more with the Planning Director's approval) and/or to extend the fee waiver to cover more expense types.	0 - None	This strategy will not limit housing production and will make development more feasible which could lead to more housing production.	1 - Some	This strategy has the potential to support more income-qualified housing, especially if the tool is expanded to allow for an increased cap of housing units approved per year and/or to extend the fee waiver to cover more expense types.	1 - Some	This strategy has the potential to support more ownership and rental housing, especially if the tool is expanded to allow for an increased cap of housing units approved per year and/or to extend the fee waiver to cover more expense types.	1 - Some	Upfront staff resources are needed to identify how the strategy should be expanded and draft code amendments for the adoption process.	City staff, public approval bodies	Forego	Reduced fees have more impact by targeting income-qualified housing.

Category	Strategy or Tool Name <small>*Existing, could be expanded</small>	Description	Housing Production Constraint		Capacity for New Affordable Housing		Capacity for New Ownership Housing		Resources Needed		Key Actors	Impact on City Revenue	Impact on Displacement or Specific Needs
			Ranking	Justification	Ranking	Justification	Ranking	Justification	Ranking	Justification			
Financial Tools	Low-Income Rental Housing Property Tax Exemption (LIRHPTE)*	Property tax exemptions for new rental housing developments that serve households earning 60% AMI or below. (State statute allows for tax exemption for developments serving households up to 80% AMI.) Both non-profit and for-profit entities are eligible. The exemption could be granted for 20 years and includes the land used for development. This tool already exists for the City of Springfield, but could be expanded to include the preservation of existing housing stock. A consideration would be the potential for less property tax revenue and the need to backfill with other City funds.	0 - None	This strategy will not limit housing production and will create more housing.	2 - Moderate	Property tax exemptions directly incentive income-qualified housing projects by making development more feasible. Depending on the market cycle and other factors, this strategy could have more or less impact.	N/A	This strategy targets rental housing and is not applicable towards ownership housing.	2 - Moderate	Staff resources are required to identify and draft changes to the program and monitor compliance once the program is adopted by City Council.	City staff, public approval bodies	Forego	In strong markets, LIRHPTE can be used to create mixed-income housing that provides cross-subsidy to income-qualified units. LIRHPTE can be combined with other programs to extend the period of housing affordability.
Financial Tools	Explore New Area for Urban Renewal District*	Analyze a defined area to assess whether it meets urban renewal criteria and to assess the ratio of investment to land available for improvement. This tool relies on Tax Increment Financing (TIF), which sets aside revenue from future growth in property taxes into a special fund that is used to reinvest in an area. The City could include affordable housing goals in the urban renewal plan and/or create a TIF set-aside for income-qualified housing development programs within an Urban Renewal District. Target could be to begin setting aside funds for income-qualified housing projects as a medium-term action, over the next 5 years or so. For example, Portland City Council designates 45% of the gross amount of TIF for designated housing purposes (rental housing for households below 60% AMI and homeownership for households below 80% of AMI).	0 - None	This strategy will not limit housing production and could potentially create significant additional housing.	2 - Moderate	Depending on the area location, funding, and projects, could create new income-qualified and market-rate units.	2 - Moderate	Depending on the area location, funding, and projects, new income-qualified and could create market-rate ownership or rental units, but this tool typically focuses on multiunit housing.	3 - Significant	Implementing a new urban renewal district requires several steps that are time and resource intensive. These include identifying potential areas, assessing their feasibility based on economic impact and State regulations, extensive community engagement, developing an urban renewal plan for how to invest the TIF, and public voting to establish the district. After an urban renewal district is established, the Springfield Economic Development Agency (SEDA) and City have ongoing responsibilities to implement projects and monitor progress.	City staff, public approval bodies, public vote, SEDA	Invest property tax growth increment in urban renewal district	This tool can fund housing but relies on property values increasing over time (e.g., 10+ years) to create the TIF. TIF has been associated with gentrification and displacement. This may be intensified by Oregon's restriction of TIF funds to physical development. Consider adding community and economic development activities for low-income and other vulnerable groups to support options to stay as areas improve.

Category	Strategy or Tool Name <small>*Existing, could be expanded</small>	Description	Housing Production Constraint		Capacity for New Affordable Housing		Capacity for New Ownership Housing		Resources Needed		Key Actors	Impact on City Revenue	Impact on Displacement or Specific Needs
			Ranking	Justification	Ranking	Justification	Ranking	Justification	Ranking	Justification			
Partnerships & Redevelopment	Public/Private Partnerships*	Partnerships between government and the private sector and/or nonprofits have the capacity to bring resources to the table that would otherwise not be available if each institution were to help communities provide housing on its own. This can come in the form of coalitions, affordable housing task forces, and collaboratives.	0 - None	No constraint. This strategy enables more housing production.	2 - Moderate	Depending on the type of project, this strategy could create new market-rate and income-qualified housing.	2 - Moderate	Depending on the type of project, this strategy could create new market-rate and income-qualified ownership or rental housing.	3 - Significant	Significant resources needed for coordination efforts between public and private stakeholders throughout the planning and development process. Public funding may be required and can be combined with private capital from developers.	City staff, developers, nonprofits, public approval bodies, SEDA	Neutral – depending on how structured	Set clear goals, including monitoring of the provision of public benefits, and include financial penalties for not meeting goals to strengthen community benefits agreements in public-private partnerships.
Partnerships & Redevelopment	Conversion of Under-performing or Distressed Commercial Assets	Acquisition of underperforming or distressed commercial assets (commercial, retail, industrial, or hotel) or partnerships with owners of the assets for conversion into needed housing. Conversion could increase the assessed value of properties resulting in increases to City revenue over time.	0 - None	This strategy will not limit housing production and may produce new housing units.	1 - Some	This strategy could create new market-rate and income-qualified housing depending on the development.	1 - Some	This strategy could create new ownership and renter housing depending on the development.	3 - Significant	City staff could have a role structuring partnership agreement with private developers to acquire and convert distressed commercial assets. This may include identifying suitable projects, potentially acquiring them as a public entity with the intent of a public-private partnership, offering development incentives for successful conversions or other methods.	City staff, developers, public approval bodies, SEDA	Generate	

Category	Strategy or Tool Name <small>*Existing, could be expanded</small>	Description	Housing Production Constraint		Capacity for New Affordable Housing		Capacity for New Ownership Housing		Resources Needed		Key Actors	Impact on City Revenue	Impact on Displacement or Specific Needs
			Ranking	Justification	Ranking	Justification	Ranking	Justification	Ranking	Justification			
Tenant Support	Renter Protections	<p>Renter protections can take the form of many different strategies, such as:</p> <ul style="list-style-type: none"> (1) Increase renters' awareness of their rights and responsibilities, including understanding leases, navigating eviction, and accessing legal aid; (2) Consider policies requiring landlords to provide financial help for tenants displaced by no-fault evictions or large rent hikes; (3) Strengthen eviction protections by extending notice periods and limiting no-cause evictions; (4) Explore rent stabilization measures, such as guidelines for rent increases and potential rent caps in line with State laws. <p>The City of Eugene implemented renter protections that include mandatory habitability standards, documentation for the move-in/out process that ensures fairness and helps prevent potential disputes, rent increase limits, capping application fees, processing applications in order received, and relocation assistance under certain circumstances. These strategies improve protections against eviction and prevent tenant displacement.</p>	N/A	This strategy has no impact on housing production constraint.	N/A	These strategies don't directly create new affordable housing, however, they can help protect renters from displacement.	N/A	No relationship between these strategies and the creation of new ownership housing.	3 - Significant	Staff resources needed to explore and vet strategies with community and decision-makers for Springfield to consider prior to implementation.	City staff (e.g., legal) legal aid orgs., renter advocacy groups, public approval bodies	Neutral	This tool directly mitigates displacement of renters due to implementing measures that specifically help protect renters.

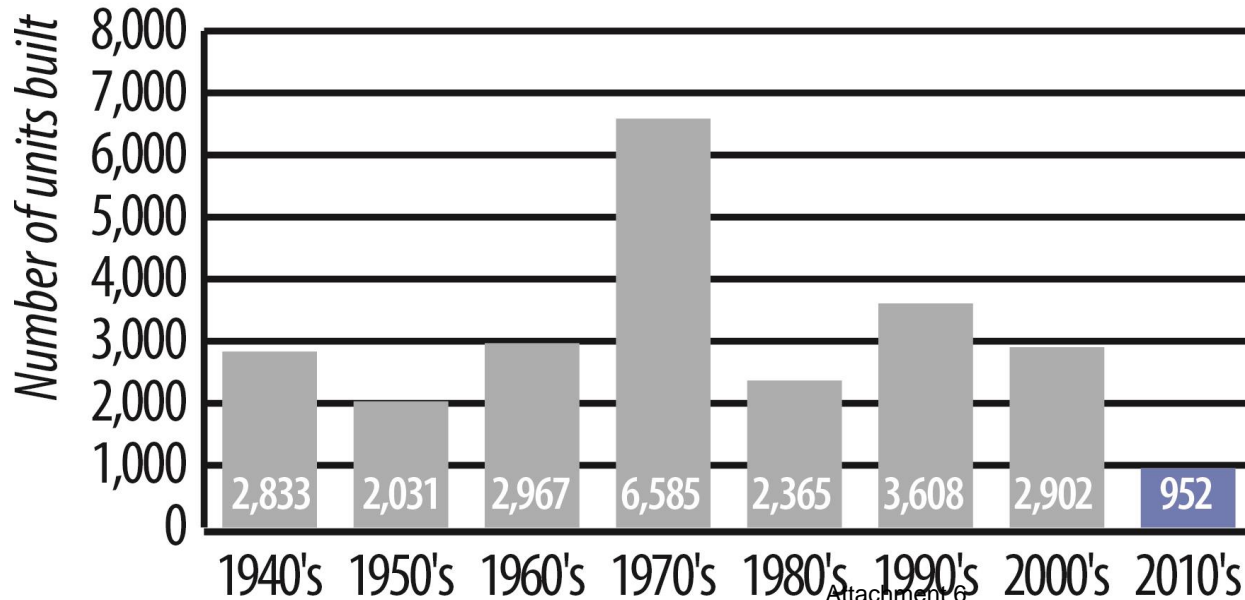


Springfield Housing Update

March 10, 2025 Springfield City
Council Work Session

Not Enough Housing to Meet Need in Springfield

Fewer homes were built in the last decade than any decade since 1940.¹



Housing is hard to find in Springfield due to a **very low vacancy rate**.¹

2.1% Rental Vacancy Rate

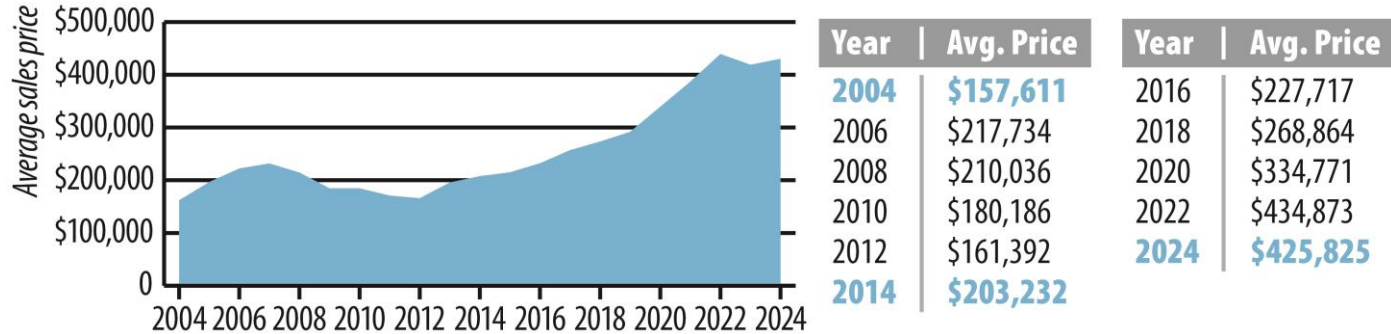
5.0% Healthy Rate

0.4% Homeownership Vacancy Rate

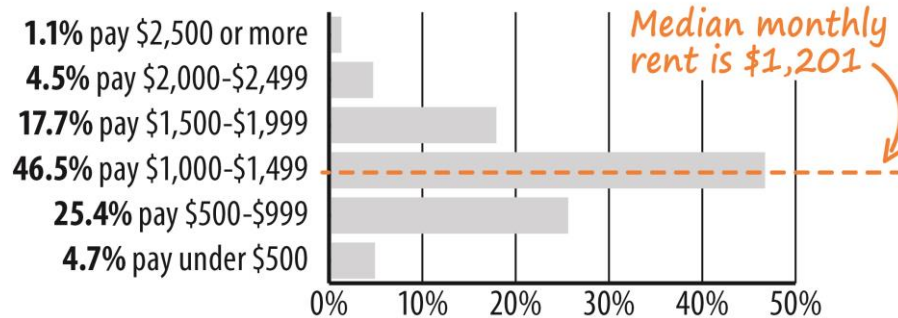
2.0% Healthy Rate

Housing Prices are Increasing

The average home sales price in Springfield has **increased significantly**.²



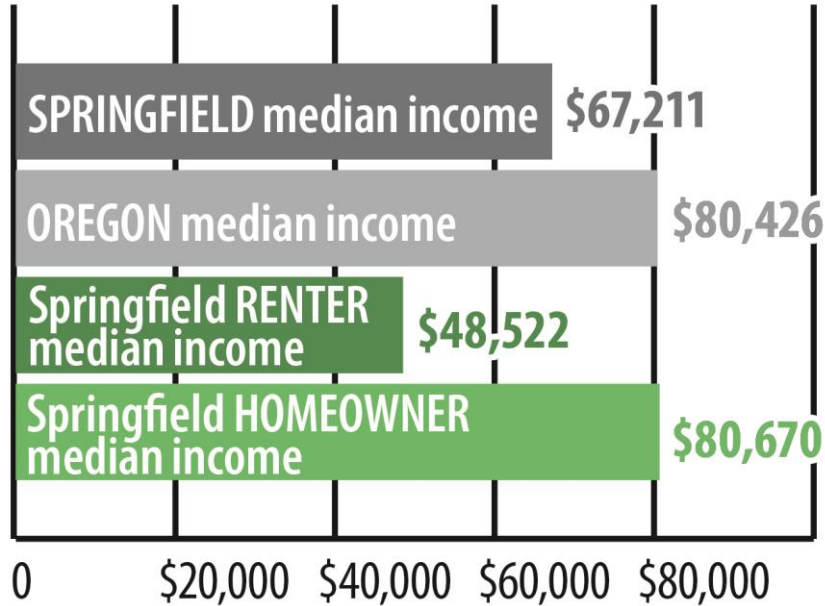
Gross monthly rent paid in Springfield in 2023.¹



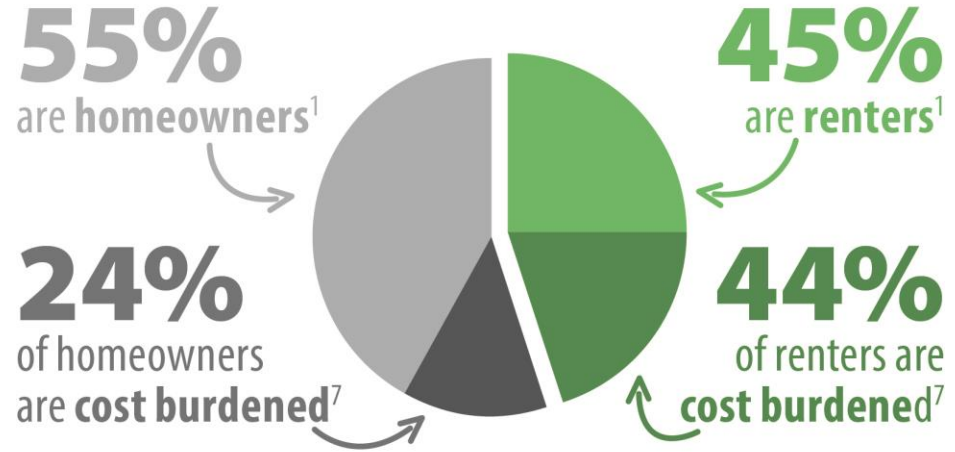
Attachment 6
Page 3 of 17
Percentage of households paying rent as indicated

Incomes Not Keeping Up with Prices

Median household income¹



Springfield households



Households are **cost burdened** if they pay 30% or more of income on housing.

Oregon Housing Needs Analysis (OHNA) Rulemaking

- HB 2001 (2023) – OHNA legislation focused on ways to increase housing production, affordability, and choice
- Significant changes to Statewide Planning Goal 10: Housing and Goal 14: Urbanization
- Cities must regularly plan for and take action to address housing needs by adopting a Housing Capacity Analysis (HCA) and Housing Production Strategy (HPS)
- Some rules adopted December 2024 - rulemaking continuing throughout 2025

Housing Needs and Production

- ◆ Incorporating the OHNA into local housing planning (rules must be adopted January 1, 2025)

Housing Accountability

- ◆ Addressing barriers to make progress towards outcomes (rules must be adopted January 1, 2025)

Housing Capacity and Urbanization

- ◆ Facilitating development-ready land to support production (rules must be adopted January 1, 2026)

OHNA Overview – State Responsibilities

OHNA Methodology & Dashboards

- 20-year housing need
- 8-year production targets
- Housing equity indicators
- Track and monitor progress and compare with peer cities

Housing Acceleration Program

- Ensure compliance with State rules
- Evaluate cities using performance metrics
- Referral results in audit and State working with cities to identify additional actions to address housing need



OHNA Overview – Local Responsibilities

Contextualized Housing Need (CHN) – informs HCA and HPS

- Identifying housing types, characteristics, and locations to plan for in HCA and HPS
- Analyze fair housing issues, identify measures to affirmatively further fair housing, and plan for ongoing monitoring

Housing Capacity Analysis (HCA) – due December 2027

- Plan to accommodate 20-year housing need by type, characteristics, locations, and affordability for different household incomes
- Conduct buildable lands inventory to assess housing capacity within current UGB
- Identify how to accommodate housing need - more efficiently use land in current UGB and/or expand the UGB

Housing Production Strategy (HPS) – due December 2028

- Identify actions to address 8-year housing production target
- Actions within city's control that promote housing production, affordability, and affirmatively furthering fair housing
- Demonstrate how actions address city's housing needs identified in CHN

2025 OHNA Rulemaking

- State adopts rules related to capacity and urbanization by January 1, 2026 – impacts buildable lands inventory and UGB expansion analysis
- Cities must now also identify “development-ready lands” and include actions in HPS to address any gap between capacity of these lands and the housing production target
- State developing “adoption-ready actions” that can be included in HPS

Springfield's Housing Need & Production Target

- OHNA methodology accounts for housing underproduction, units lost to second/vacation homes, and housing for people experiencing homelessness
 - 20-year housing need: 6,937 new housing units
 - Annual production target: 470 units

8-Year Outlook

Springfield needs **470 new housing units every year** for the next **8 years** to meet State housing production targets.³ This **exceeds** historic development levels.

Over the next 8 years, **2,560** (68%) of the housing units that Springfield needs are for households with **incomes at 0-80% AMI**.

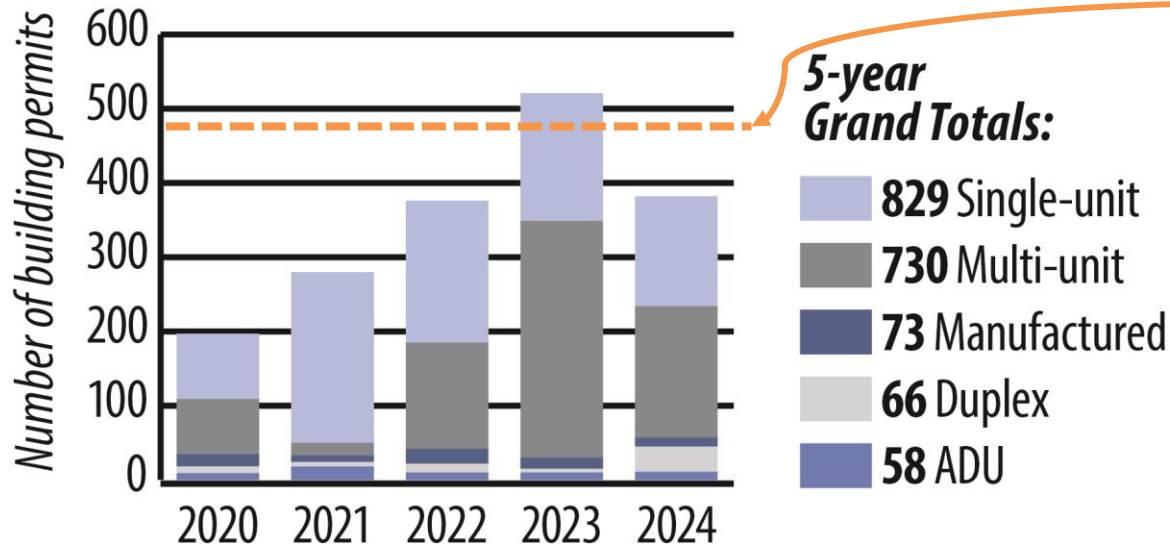


- **1,376 Units** needed at 0-30% AMI
- **808 Units** needed at 31-60% AMI
- **376 Units** needed at 61-80% AMI
- **480 Units** needed at 81-120% AMI
- **704 Units** needed at >120% AMI

←
Units need subsidy to be affordable at these income levels

Recent Development Trends in Springfield

The City issued building permits for 1,756 housing units over the last 5 years.⁴



**5-year
Grand Totals:**

- 829** Single-unit
- 730** Multi-unit
- 73** Manufactured
- 66** Duplex
- 58** ADU

**Annual production
target from OHNA:
470 housing units**

Housing at Lower Income Levels

108 Homes have been built for low-income households in Springfield **since 2018**.⁴

Springfield Area Median Income (AMI) limits for low-income households:⁸

AMI Limit	Household of 1	Household of 4
30%	\$18,750	\$26,750
60%	\$37,440	\$53,460
80%	\$49,950	\$71,300

Household incomes below 80% AMI are generally considered low-income.

Tools to Support Residents in Climate-Friendly Areas

Promote housing that is affordable to a range of incomes and mitigate pricing community members out due to rising housing costs that could result as future redevelopment occurs

Design & Development

Streamlined development processes, including pre-approved plans and design standards that promote diverse housing options.

Regulatory Changes

Adjustments to zoning codes, land use policies, or regulations to manage development and mitigate displacement.

Financial Tools

Subsidies, tax incentives, or grants aimed at supporting affordable housing and preventing displacement.

Partnerships & Redevelopment

Collaborative efforts between public and private sectors to promote equitable development and reduce displacement risk.

Tenant Support

Anti-displacement measures such as renter protections.

Tools to Support Residents in Climate-Friendly Areas

CFA SURVEY RESULTS SUMMARY (44 survey participants, 10 poster votes)

Participants strongly prioritized:



TENANT SUPPORT

- 41% ranked as highest priority
- Strong desire for new affordable housing and helping current residents continue to live in our community



FINANCIAL TOOLS

- 32% ranked as highest priority
- General acknowledgement that development is expensive, and reducing the cost of development could result in more housing of different price points

+ general support for other tools that reduce displacement risk (e.g., partnerships, redevelopment, regulatory changes)

From CFA survey participants:

"Finding ways to help tenants find and stay in sustainable long-term housing helps the economic stability of communities"

"It is too expensive for private developers to build housing without financial incentives"

"Financial tools seem to be the best way to help the market create new housing and development that the city needs"

Design & Development + Regulatory Changes

Tool Name	Resources Needed	Impact on City Revenue
Pre-Approved Plan Sets for Different Housing Typologies*	Some	Neutral
Accessible Design Incentives and Plan Options	Some	
Re-examine Requirements for Ground Floor Commercial	Moderate	
Mixed Housing Types in Master Plans	Moderate	
Limit Short-Term Rentals to Protect Long-Term Housing Supply*	Significant	

*Existing tool that could be expanded

Financial Tools

Tool Name	Resources Needed	Impact on City Revenue
Demolition Taxes	Moderate	Generate
Construction Excise Tax	Significant	Generate
Moderate Income Housing Revolving Loan	Moderate	Forego
Fee Waiver for Income-Qualified Housing*	Some	Forego
Low-Income Rental Housing Property Tax Exemption*	Moderate	Forego
Explore New Area for Urban Renewal District*	Significant	Invest property tax growth increment in urban renewal district

*Existing tool that could be expanded

Some of these tools focus on income-qualified housing – Construction Excise Tax, Moderate Income Housing Revolving Loan, fee waiver for income-qualified housing, and LIRHPTE

Partnerships & Redevelopment + Tenant Support

Tool Name	Resources Needed	Impact on City Revenue
Public/Private Partnerships*	Significant	Neutral - depends on structure
Conversion of Underperforming or Distressed Commercial Assets	Significant	Generate
Renter Protections	Significant	Neutral

*Existing tool that could be expanded

Council Discussion

Provide direction on which housing tools to include in findings for the Climate-Friendly Areas adoption package and consider further as part of the upcoming citywide Housing Production Strategy work, which will include further vetting with community and decision-makers.

