

City of Springfield
Work Session Meeting

MINUTES OF THE WORK SESSION MEETING OF
THE SPRINGFIELD CITY COUNCIL HELD
MONDAY, APRIL 13, 2009

The City of Springfield Council met in a work session in the Jesse Maine Meeting Room, 225 Fifth Street, Springfield, Oregon, on Monday, April 13, 2009 at 5:32 p.m., with Mayor Leiken presiding.

ATTENDANCE

Present were Mayor Leiken and Councilors Lundberg, Wylie, Leezer, Ralston, Woodrow and Pishioneri. Also present were City Manager Gino Grimaldi, City Attorney Joe Leahy, City Attorney Bill Van Vactor, City Recorder Amy Sowa and members of the staff.

1. Residential Lands Study Update and Proposed Land Use Efficiency Measures.

Planning Supervisor Linda Pauly presented the staff report on this item. The preliminary results of Springfield's Residential Land Needs Analysis indicate that the housing need for the plan period 2010-2030 exceeds the available development and redevelopment capacity of land inside the UGB and that Springfield has a different needed housing density and mix than it experienced in the 1999-2008 period. ORS 197.296 requires cities to consider implementation of land use efficiency measures if the need for housing exceeds the supply of buildable land, prior to any UGB expansion.

Council is asked to review and comment on the proposed efficiency measures recommended by the Planning Commission and Residential Lands Stakeholder Committee. Staff suggests several specific points for Council's discussion:

1. One of the proposed measures - reduce street width standards - represents a significant shift in policy that may warrant and require considerable analysis, interdepartmental discussion and public involvement that would benefit from consideration beyond the time frame of the UGB discussion.
2. Most cities have more than one Low Density Residential (LDR) zoning district with varied development standards to address the unique development patterns of different eras of neighborhood development, rather than a "one size fits all" LDR standard. The Council could direct staff to work with the Planning Commission to explore whether this approach would address Springfield's needs and concerns.
3. Council could direct staff to work with the Planning Commission to prepare Infill Design Standards to protect and enhance neighborhood livability as Springfield grows.

Adoption of the proposed efficiency measures would increase opportunities for new development and redevelopment within the UGB and could reduce the number of acres needed for a UGB expansion by allowing housing units to be constructed on land where residential uses are currently not permitted or at densities higher than what is currently permitted. Adoption of some measures could help facilitate development of affordable housing.

Ms. Pauly said this project was started in 2006, but had been set aside when HB3337 passed and the City decided to perform a Commercial and Industrial land study as well. It was now time to

continue with the residential study. She introduced Bob Parker, ECONorthwest, the consultant on this project.

Mr. Parker said he was providing an update from the presentation he gave to Council in October 2007. He presented a power point presentation. He gave an overview of the Housing Needs Analysis which included State requirements, population forecasts, development trends, buildable lands, housing needs, comparison of land supply and housing need, land use efficiency measures and next steps. He discussed the State requirements. The goal was to develop a study that was compliant with Statewide planning guidance in Goal 10 that required cities to go through housing needs analysis. The foundation of this project was the population forecast. When this project was started, Lane Council of Governments (LCOG) was working on the population forecast. Since then, Lane County contracted with Portland State University (PSU) to perform that forecast. He discussed the forecast and noted that the Safe Harbor figure for Springfield and the figure from PSU were not much different. These figures were instrumental in determining the urban growth boundary (UGB). He gave some background on the development in Springfield and discussed needed housing types and how those were identified. He referred to a chart showing the housing mix.

Councilor Woodrow asked if duplexes and fourplexes were considered individual housing units.

Mr. Parker said they were counted as dwelling units. The State also required the City to look at density. When they started this analysis in 2006, the density calculated was 6.2 per net acre. That figure has been updated due in part to dense housing downtown, and was now 6.55. Eugene's average density was about 6.7. He discussed housing prices in the Springfield area and noted that the sales prices in Springfield during the housing boom increased lower than other cities in the region, so in 2006, Springfield had the lowest median sales price of single family dwellings. He discussed the increases and how they related to income increases.

Mr. Parker talked about the buildable lands inventory and noted that they were working with the GIS (geographic information systems) in the Public Works department to replicate these types of inventories. They had found that there was more land than first anticipated in Springfield's UGB, but much of that was constrained or unable to be developed. They had not yet addressed redevelopment in these areas. The vast majority of land that was considered buildable land was in low density residential designation. Only 16% was in high density residential, and some of those were isolated. He referred to a map of residential lands by classification. He explained how they determined capacity in those areas. He displayed a map that showed the constraints on the land.

Mr. Parker said the next step in the process was to determine how many dwelling units could be fit on each acre. They had put together a process of making discounts for constrained land.

Councilor Pishioneri said it would be easier to remove the land that was unbuildable on the maps so they could see what was available.

Mr. Parker said that could be done or the constrained land could be combined into one color. He discussed the needs assessment. He explained how the need was determined. They would then match the need by the type of dwellings and the density. He explained the figures regarding dwelling units. They would then need to calculate the number of acres needed for residential development including land for other uses such as government, parks, schools, etc. He explained what assumptions were used and how they determined how much land was needed for those other

uses. The City needed 643 acres for those other needs, mostly for parks. He said there was a deficit in all land designations, including parks.

Mayor Leiken confirmed this inventory was to go out 20 years. Yes. He referred to urban reserves.

Mr. Parker said cities could still create urban reserves.

Mayor Leiken said if Council looked at opportunities for the best potential growth areas, they could look at urban reserves for future growth for the City.

Mr. Parker explained the process for urban reserves, and said it was similar to the process as the UGB expansion process, except it was a fifty year outlook. The alternatives analysis was the same. Many cities in central Oregon had adopted urban reserves. He discussed some of the benefits of doing that.

Mayor Leiken said he was not advocating for urban reserves, but wanted to bring it up for discussion. Things changed dramatically every five years.

Mr. Parker said there was merit in looking longer term in urban reserves, including the cost to go through the UGB expansion process.

Councilor Leezer asked if they were also looking at commercial and industrial lands.

Mr. Parker said they were also studying commercial and industrial inventories. He explained the areas Council identified as potential expansion areas for that type of development and the deficit of that type of land.

Councilor Lundberg referred to land use and efficiency standards and asked how they weighed expansion and efficiency measures.

Mr. Parker said he would be explaining that shortly. The City was required to look at land use efficiency measures. If the City's inventory showed a deficiency, they were required to consider efficiency measures. The requirement didn't specify what those measures were or how many were needed. There was also language in the statute regarding housing needs that stated if the housing need was greater than housing capacity, the local government needed to take certain steps. He explained. If the City chose not to expand the UGB, they must have measures in place to demonstrate the densities could be achieved in order to preclude a UGB expansion. He said if the mix was different from the density needs analysis, the City was obligated, as part of periodic review, to adopt steps for mixed housing types. The City had an obligation to look at some efficiency measures and move to the needed mix.

Councilor Ralston asked if an increase in density meant overall density or just new development.

Mr. Parker said the average needed density would need to be higher. One of the fastest ways to increase density was to shift the percentage of single family housing to multi-family housing.

Councilor Ralston said it would seem to be difficult to increase the overall density.

Mr. Parker gave an example and said the density referred to new housing.

Mr. Parker said staff went through and looked at everything the City had done. Poster boards were on display around the room showing measures the City already had in place. The City had done many of those things, but could do more. He discussed some of the measures not yet implemented and noted that some were partially implemented. They met with the committee and performed a survey to determine which measures were priorities. They hadn't yet analyzed the measures, but wanted to find out which Council wanted to be considered. He referred to a chart in the agenda packet that showed the measures and how they had been effective. He discussed the priorities that were identified.

Councilor Woodrow asked for a brief explanation of co-housing compared to condominiums.

Mr. Parker said co-housing was something with shared kitchens or community living rooms. Eugene had some co-housing that looked like single family housing. Co-housing was not included in Springfield's code at this time, but was not a strategy that would gain Springfield much in terms of available acreage.

Councilor Woodrow asked about lots currently in City limits that were over one acre. He asked if they would continue to be grandfathered in or if they would need to be subdivided into 12 (or some other number) lots if that was the minimum density standard.

Mr. Parker said there could be mechanisms built in, where the minimum density standards only applied at the point of land division. Other cities that had adopted minimum density standards had looked for ways to create mechanisms to identify sloped areas that would need less density. Those things would need to be addressed through code amendments.

Councilor Woodrow asked if there was a process in place that would not create a situation such as the development near Baxter in Eugene, with industrial property abutting vacant property that was then rezoned to residential. He asked if there was a provision that would protect or allow the City not to allow infill on such sites.

Mr. Parker said he believed there was. The City should have the ability to recognize those types of factors in regards to compatibility. There was no obligation for the City to infill areas that seemed inappropriate. He gave an example. The City had an obligation to demonstrate how they would meet housing needs.

Councilor Woodrow asked if staff could give Council information regarding reduced street width, and whether or not that would provide extra acreage in our inventory.

Councilor Ralston said he was confused by reduced street width. He had seen what was done in Eugene, and he was surprised it was a high priority. He saw nothing but problems with reduced street width, such as access for emergency vehicles, personal parking and traffic hazards.

Councilor Pishioneri referred to Councilor Woodrow's testimony about requiring someone with one acre to divide it into a maximum of twelve lots. He gave an example of someone living on one acre wanting to divide it into 3 lots for his grandchildren.

Mr. Parker said if the City had a minimum density standard that would apply when he went to subdivide.

Development Services Department Director Bill Grile said each child could get three lots. They could put the house anywhere, and include a covenant that the 3 lots stay tied together.

Councilor Pishioneri asked if that occurred, would the landowner have to take a financial hit.

Mr. Grile said yes, if it was an efficiency measure that was enacted.

Mr. Parker said not many cities had adopted minimum density standards. There were other approaches to address density. Currently the City had low density residential (LDR) with allowable densities of one to ten dwelling units per gross acre. Many cities had a spectrum of zones within those designation that allowed different lot sizes. He gave examples. It was not an obligation, but could be a strategy. The State was trying to provide the opportunity for housing needs to be met within a planning structure. Areas could be zoned more density without impacting the character of the community.

Ms. Pauly said the City could zone higher density in newer neighborhoods without affecting density in older neighborhoods with different LDR zones. She explained further. They could have a variety of zones.

Councilor Pishioneri asked about a 10,000 square foot minimum in order to divide property.

Ms. Pauly said there was no minimum to divide, but once divided the individual lot sizes had a minimum size.

Mr. Mott discussed this further and said they could offer a range of sizes within a property.

Mr. Grile said Ms. Pauly's suggestion for different LDR zones to protect the integrity of existing neighborhoods was a good idea.

Councilor Lundberg referred to page 38 which showed a duplex. She noted there was a duplex next door to her that was situated sideways on the lot. The City had a lot of latitude in how they thought about densities. She liked the idea of breaking up one acre into different lot sizes. She explained a house she had in California that was in a very high density neighborhood, but was placed in such a way that there was privacy. She had concerns about how they implemented the higher densities and wanted to make sure it was done well in both existing and new neighborhoods. She liked the idea of looking at mixtures, but they needed to involve the neighbors and it needed to be livable. She did like the narrow streets because cars slowed down and yards could be made larger. She referred to a Eugene neighborhood where the neighborhood homeowners bought the land behind them to keep from having a fourplex built behind them. It would be interesting politically to see how they approached this issue. Home ownership was a high priority for Council. This was a good study with good examples.

Mayor Leiken said in the end, they needed to appease the Department of Land Conservation and Development (DLCD), whatever they decided to do. He noted that climate change was the current buzz word, and it seemed to him that a larger yard and more landscaping would reduce the carbon footprint. He felt the work done on this by staff and the consultant was very good. He

said staff could answer the questions Council had asked. He liked the idea of having more choices regarding density and LDR. The one size fits all tactic was not working. He referred to the amount of housing dollars and asked for the percentage of mortgages. Springfield had a lot of land and had an opportunity to keep the lots at a lower price. He appreciated the work and reiterated that they needed to make the case to DLCD. He felt the figure of 432 acres for residential was a good number and he preferred to keep it conservative. He hoped future Councils kept on with periodic reviews to make sure we had an ample supply of land.

Councilor Pishioneri said as a resident on a small street, smaller streets did add to the livability of a neighborhood. A wider street in his neighborhood would not make sense. An approach of different LDR standards made sense, with the inclusion of different size streets when applicable.

Public Works Director Susie Smith said she was glad to hear the discussion on streets. It was on Public Works' agenda to bring back to Council another view of street standards which addressed cost savings, new ways to manage stormwater, climate issues, residential density, etc. They would bring that back to Council with a lot of examples from communities where alternative street standards had been proven effective.

Councilor Pishioneri said swales worked well and narrow streets with run off going into swales worked well. He noted other states that experienced large amounts of sudden rainfall and the benefit of those swales.

Councilor Ralston spoke on redevelopment and asked if Mr. Parker had gotten what he needed in terms of feedback and direction from Council.

Mr. Parker said there were a lot of ways to address redevelopment and the study used an expansive definition of redevelopment. Normally, he would look at single family dwellings and things that existed in higher density designation. He didn't think the City wanted to look at redevelopment of a lot of existing housing stock, but the City needed to think about that. He spoke regarding nodal development and mixed-use. The City had made some plan amendments, such as in Glenwood, regarding housing redevelopment or mixed use development. They could evaluate what was already in place, unless directed by Council to do otherwise.

Councilor Woodrow asked Ms. Pauly if cluster development would be in LDR or MDR.

Mr. Pauly said typically they were in LDR, but could be in either. It was dependent on how they located dwellings and allocated open space.

Councilor Woodrow asked if staff could bring back information about the height and shadowing restrictions. He explained.

Councilor Leezer said she would be interested in seeing traffic studies from narrow streets that addressed accidents involving automobiles, pedestrians, and cyclists.

Councilor Wylie said her granddaughter lived in a new development in West Eugene where the streets were very small and high density. She explained. Some of those little streets were designed just for internal flow. Public vehicles had access from outside of the blocks. People were looking for many ways to do things.

Councilor Lundberg said there was housing in Coburg with shared driveways and then parked under the house to the garage.

Mayor Leiken asked if Council was fine with staff working with the Planning Commission to prepare Infill Design Standards to protect and enhance neighborhood livability as Springfield grows as noted in #3 on the agenda item summary. Yes.

Mr. Parker said there didn't appear to be a lot of interest in minimum densities, but mechanisms that would allow more density. That was correct.

Councilor Pishioneri said he wanted to emphasize flexibility without additional cost to property owners.

Mayor Leiken said housing density would increase with the PeaceHealth housing going in, which would be practical.

Ms. Pauly distributed a handout from an open house on Land Use Efficiency Measures.

2. Local Wastewater User Fees for Fiscal Year 09-10.

Environmental Services Supervisor Tim Schuck presented the staff report on this item. User fees for local wastewater were last reviewed by the City Council in December of 2008. Staff is in the process of developing Fiscal Year (FY) 09-10 local user fee options for consideration by Council later this spring.

Each year, staff brings Council proposed user rates for local wastewater programs. These rates are established to provide adequate revenue to fund operations and maintenance, capital improvement programs, and cover the debt service payments for the City of Springfield.

Local Wastewater. The Council is requested to consider three options for an increase in local wastewater user fees ranging from 8% to 18%. The primary factor driving the need for increased wastewater fees in FY 09-10 and subsequent years relates to the funding requirements of the local wastewater Capital Improvement Plan (CIP). In FY 08-09, \$22.8 million in revenue bonds were issued and to continue financing the CIP, another revenue bond is planned to be issued in either FY 10-11 or FY 11-12 depending on the rate option considered by Council.

All three options for Council consideration provide adequate coverage for existing bonds and provide sufficient revenues to issue an additional bond in FY 10-11 or FY 11-12 depending on the scenario. The difference between options 1 and 2 is the pace at which revenues are collected. Option 3 involves moving out the timeline for certain capital projects to delay the issuance of the revenue bond. All presented options are driven by the timing of capital projects for bond issuance as well as the 125% net revenue to debt service coverage ratio.

Following tonight's discussion, a draft schedule of user charges will be developed for a public hearing scheduled for May 18th.

Mr. Schuck presented a power point presentation which gave a brief overview of local wastewater rates. He discussed the local wastewater timeline and past increases. Current local residential rates were \$14.89. He discussed the future needs including required work, future work

in the master plan, and future bond issuance. He noted that the department reduced their operating budget in FY09/10. System development charges (SDCs) were being analyzed by the citizen advisory committee (CAC). He discussed the local wastewater rate drivers and the debt service ratio.

Civil Engineer Jeff Paschall spoke regarding the local wastewater capital projects. They were summarized by work in the current bond, work that the City was obligated to perform, work for system expansion and work that was being delayed. He referred to a chart that showed the capital projects that could be performed under each scenario. He explained how each project related to the options.

Mr. Schuck said three options were being presented. He discussed the difference between Option 1 and 2, and outlined the pros and cons of each option. Staff recommended Option 2 and offered an alternative Option 2 for Council consideration, which was between Option 1 and 2. Staff would be back to Council on May 18 for a public hearing and rate adoption.

Mayor Leiken recommended Council look at page 7 of 9 in the agenda packet which showed the comparisons with cities of similar size. He also wanted to make sure Council was not interested in using part of a special restaurant tax to fund a portion of the wastewater utility as they were doing in Ashland. They were not.

Public Works Director Susie Smith noted that Public Works had dramatically reduced expenditures on the operating side. The Budget Committee would receive a report on their enterprise fund overview. The assumptions on the operating side were reduced by about three percent, including absorbing increased materials costs. Positions had been left open and cuts were taken on the operational side as much as possible without impacting their ability to do the obligated work.

Councilor Woodrow asked for clarification of Option 2 plus.

Mr. Schuck explained.

Mr. Paschall said the second year increase could go down. It was driven by the size of the next bond and Council direction. He explained.

Councilor Woodrow asked what the increase would be at twelve percent.

It would be about \$16.67, which was an extra .30.

Councilor Ralston asked if the projects got done sooner in Option 1.

Mr. Paschall said it was a more conservative outlook and controlled the twenty-seven percent increase in the second year by collecting more revenues this year to meet our debt coverage. It was more conservative in terms of the economy.

Councilor Ralston said the total increase in Option 1 was thirty-six percent and under Option 2 was thirty-seven percent. He would prefer Option 1 because it was less of an increase over time.

Councilor Wylie said she was supportive of the work that Public Works did and she realized the need for the work, but it seemed that week after week they were raising fees. Electricity, food, and gas prices were going up and there were people on fixed incomes. She asked if they ever stopped raising fees and considered those on fixed incomes. There were people in our community that couldn't afford another increase. It was a very difficult position.

Councilor Pishioneri said Option 1 took money sooner and evened out the impact. He asked if there would be any funds to leverage such as interest that could soften the increase in future years. He asked if they were put into reserves that earned interest. Yes.

Councilor Pishioneri said he agreed with Councilor Ralston about Option 1. He asked if the City could reduce the rates if, based on the conservative outlook, SDCs were on the rise in FY11/12.

Mr. Paschall said the Council would have options of putting the cash that was not dedicated to other projects or operations into a reserve for future capital projects, or in a rate stability reserve that could be used later and possibly offset future rate increases.

Councilor Pishioneri asked if there would be a time when we could actually reduce rates.

Mr. Paschall said Council had policy choices they could make. The rate in future years was impacted by the size of capital need, which was impacted by a number of factors. The Council could say they didn't want growth related projects as part of the bonds, but rather wait for the SDCs or other development payments. SDC as a revenue stream could increase, in which case staff could come back to Council in those out years and decrease the increase in future years. He explained.

Ms. Smith said user rates and SDCs went hand in hand. Staff would be bringing SDC methodology to Council based on direction from Council several years ago to shift some of the burden of growth to development because users had been funding the system. She explained further. Public Works had whittled the Capital Improvement Program to mandated items. Hopefully, whichever option was chosen, the user rates could decrease once SDCs and other funds increased.

Councilor Pishioneri said he would like to see that.

Mayor Leiken reminded Council that about twenty-five years ago the federal government cut off funding for this type of infrastructure. He agreed with Councilor Wylie, but the challenge the City faced was the limited ways the City had to raise these funds in order to stay in compliance with federal laws. Unfortunately, the City needed to continue to raise fees. He felt Option 1 was the way to go to keep it as cost effective as possible while keeping programs moving forward.

Councilor Woodrow asked if they could reduce FY10-11 to twenty-five percent if they changed FY09-10 in Option 2 plus to twelve percent.

Mr. Schuck said yes if all conditions stayed the same.

Councilor Woodrow said if they went with Option 2 plus, the rate increase for FY09-10 would be almost \$1 less than in Option 1. Hopefully, that would give the economy a year to stabilize and the SDCs to kick in. It could soften the blow on ratepayers for at least the first year.

Councilor Lundberg said she agreed with Option 2 Plus to get through this period of time, knowing the rate could change down the road. She was glad to hear they had cut back on operations because that would be important for the citizens to know. Council needed to have less time between time frames. The SDCs had been set off too long, and now we were suffering. She didn't want to impact residential rates and SDCs would affect housing costs as well. It would be better to look at all these pieces on a regular basis rather than waiting as they did. She would be more supportive of Option 2.

Councilor Leezer said in July 2008 there was a twelve and a half percent increase and the projected increase was for ten percent through fiscal year 2013. She was concerned that the rates chosen this year might not be sufficient in years to come. She agreed that we needed to cover our costs, but it was a burden on our citizens.

Councilor Wylie said she was also considering voter goodwill and noted the increase in taxes when the Police levy was added to tax statements. She had received a call from an angry man regarding the recent ambulance rate increase. She cautioned against continually raising rates and fees.

Mayor Leiken noted the difficulty cities were in due to mandates from the federal government. He noted the lawsuit brought against the City and MWMC from a group in California.

Ms. Smith discussed the legal action referenced by Mayor Leiken. Following that settlement, the City had been placed under a compliance order by the Environmental Protection Agency (EPA). In addition to normal fines that could be administered, the EPA could charge the City for the value of the capital project not built if we chose not to make the remedies occur, once we knew what those remedies were. That was why Option 3 was not truly an option because it did not provide for the required minimum projects.

Councilor Pishioneri asked if there were projects they could initiate earlier to stimulate economic growth if they went with Option 1.

Ms. Smith said we were in a balance by cutting operations, so were now unable to perform at the service levels to do those projects. Engineering was running nine packages at this time and that would take up most of staff's time and capacity. Option 1 or 2 plus did give Council flexibility to consider contracting or reconsider positions that had been left open.

Councilor Pishioneri agreed that Option 1 provided more flexibility and opportunities. Now may be the time to take that opportunity.

Councilor Ralston said there weren't any numbers for Option 2 Plus. He liked the flexibility in Option 1 and the one percent savings over the long term. If Option 2 Plus could show a better savings, he would support that. He liked the flexibility of moving forward on projects sooner.

Councilor Woodrow asked staff if there was a happy medium between Option 2 Plus and 1. That would be about fourteen percent. He asked if that would give them what they needed to take advantage of the pros of Option 1 while still having the repairs needed for this year.

Mr. Paschall said when creating the options he wanted to make next year look better. They needed to figure out the cash flow and determine the size of the bond sale. Anything above ten percent would make that next year look better. Staff wanted to show where the economy was now, which would be between ten and eighteen percent the first year, and would look better if they needed to issue new bonds.

Councilor Woodrow asked if fourteen percent would give more flexibility than Option 2 Plus.

Mr. Paschall said yes for this year. It covered the needs for this year and put us in a better position for next year. We may see a small increase in SDCs as the economy turned around, in which case they could bring back a better picture of rate increases.

Mr. Grimaldi suggested staff bring this back next week with the actual numbers for the other models.

Councilor Pishioneri suggested they eliminate Option 3, and just bring back Option 1, 2 and 2 Plus.

Mayor Leiken asked if they could bring this back for a fifteen minute work session.

Mr. Grimaldi said we could schedule it on April 20.

Mr. Schuck asked Council which options they would like to see on April 20.

Council asked to see Option 1 and Option 2 Plus Plus at fourteen percent.

Mayor Leiken called for a recess for 5 minutes at 7:27pm.

Mayor Leiken reconvened the meeting at 7:35pm.

3. Springfield Housing Summit Report.

City Manager Gino Grimaldi introduced John Lively, Ed McMahon and Lori Palermo from the Housing Summit group who were present in the audience. The Springfield Housing Summit was appointed by the Mayor in February and is comprised of the following members: John Lively (Facilitator), Mike Butler, Debbie Davis, Tom Draggoo, Dan Egan, Phillip Farrington, Ed McMahon, Lori Palermo and Jeff Towery. Laura Potter from HBA provides staff support for the group. The goal of the group is to: *Research and explore the possibility of establishing effective actions that could be taken on a local level to help stimulate the local economy and present our findings to the Springfield City Council.* The purpose of the report is for the Council to hear about the group's progress to date and to engage in a discussion about the ideas generated thus far.

City Manager Gino Grimaldi introduced John Lively, Chair of the committee.

Mayor Leiken said Assistant City Manager Jeff Towery was the staff liaison to this committee. This came about following discussions regarding residential building in Springfield. Ed McMahon talked with Council and the committee was formed. The committee was comprised of

members of the community from the building side, real estate side, financial side and planning side.

Mr. Lively thanked the Mayor for appointing this group. The group had been very engaged and didn't want to leave anything out for consideration. They focused on both the short-term and long-term in the City of Springfield in terms of housing. Things were not ever going to be like they were, but what we would return to was a realistic housing market. The committee hoped the Council and City would look at that reality. He also acknowledged the actions taken by the Council and the City to stimulate and encourage activity in the area with deferred and delayed fees. Other areas in Oregon had heard about what Springfield was doing and more of these conversations would take place.

Mr. Lively noted that although Linn County recently said they were waiving all development fees, they had been able to get economic development funding through lottery money from the County to pay those fees. The committee believed there were some things in the short-term and long-term that could be done to make a difference. They looked at doing research regarding the housing stock available to try to get people buying homes again. Springfield was in good shape regarding affordable housing in the marketplace. He discussed some of the data regarding housing in Springfield. The committee felt the \$8000 credit for first time homebuyers would be very beneficial. He discussed the number of homes listed in different priced categories. The HomeBuilders Association understood there was no market for houses over \$250,000, so they were looking for other opportunities with an emphasis on housing stock valued less than \$200,000. They looked at research to find out who the first time homebuyers were and there was a lot of opportunity in Springfield with our population base for first time homebuyers. Lenders were beginning to look at things differently, such as two families buying one home. The group also got information on the local homebuyers programs. They wanted to find out how to get people aware of housing stock available and comfortable to buy for the first time. Some that qualified were very cautious about buying. Some communities had somehow taken the \$8000 tax credit and provided it to homebuyers up front to help with buying the home. The group was looking at how they could do that.

Mr. Lively said the group had three requests. The first was to identify areas in Springfield that could be revitalized. A neighborhood with quite a bit of housing available could create opportunities to revitalize the houses in that neighborhood by using stimulus funds to put in energy efficient windows, insulations, etc. It would get tradespeople back to work and houses ready to sell. The second thing would be to explore the possibilities of available funds that could be invested in areas identified, such as Community Development Block Grant (CDBG) funds and other funding sources. He mentioned a program through Springfield Utility Board (SUB) that could help as well. The third thing would be to establish, for a limited time period, reduced permits and SDCs for remodeling. The time frame for this type of relief could be for a short time, such as five months.

Mr. Lively said it was important to look at the impact homebuilding had on the jobs in our community overall. Homebuilding was the third largest employer in Lane County. This wasn't just about building houses, but about employing people. There was analysis that could make people consider what went into housing and the return of those costs. Some of the information from the housing study should be contemplated and considered during conversations about stimulating the economy. The City needed to have affordable housing so people could own homes. These were good times to have these conversations and he hoped Council looked at the

information. He said he was not suggesting Council did something tonight, but to take these things into consideration. With limitations on the City with the taxing structure, fees and charges were often the only way to raise revenue. The committee recognized that at some point the State needed to understand that cities would run out of funds. There needed to be an equitable way.

Councilor Pishioneri was surprised that two families would purchase one home.

Mr. McMahon noted that there was only one first-time homebuyer's tax credit per family.

Councilor Pishioneri referred to the model and said he would like to see the figures on an average home in Springfield.

Mr. McMahon said it was the Lane County average in 2007. There was a formula that the Springfield figures could be plugged into.

Councilor Lundberg said the first home bought she bought was with another single friend. She liked the idea of the remodel program because it provided lots of opportunity. She also liked the idea of targeting neighborhoods. She asked about the neighborhood revitalization programs that Housing Manager Kevin Ko had recently brought to Council.

Mr. Grile said that was still a possibility and was a Housing and Urban Development (HUD) program.

Councilor Lundberg talked about taking the neighborhood approach. She asked if some of that work was done already in Mr. Ko's work.

Mr. Grile said the concept of the Neighborhood Revitalization had been brought to Council, but not yet for adoption. Maybe staff could accelerate that and bring it back.

Mayor Leiken said Springfield was working closely with Eugene and Lane County on the stimulus funds. The weatherization funds could be great for neighborhood revitalization. He would like information from the realtors on which neighborhoods had stock that could be sold. He didn't want to choose a neighborhood that had homes that didn't sell. It would be good to identify neighborhoods that had good records of selling, plus needed weatherization. The committee could identify those and bring that information back to Council.

Mr. Lively said each time the City boomed following a slump, there was a lot of housing stock and there were key neighborhoods that could fit that profile.

Mayor Leiken said the weatherization stimulus funds were real and sustainable. It could provide a long-term pickup.

Mr. McMahon referred to the study. Through about 2007, Springfield had been in good shape with housing available and businesses coming into our community. We were at the point where if we continued to increase the cost of housing, we would be on the negative side and other states would look more favorable.

Councilor Woodrow thanked the committee for their work.

ADJOURNMENT

The meeting was adjourned at 8:00 p.m.

Minutes Recorder – Amy Sowa

A handwritten signature in black ink, appearing to read 'Sidney W. Leiken', written over a horizontal line.

Sidney W. Leiken
Mayor

Attest:



Amy Sowa
City Recorder