

**CITY OF SPRINGFIELD, OREGON**  
**ORDINANCE NO. 6476 (GENERAL)**

**AN ORDINANCE ADOPTING SPRINGFIELD MUNICIPAL CODE SECTIONS 3.550 THROUGH 3.558 TO ENACT A PROPERTY TAX EXEMPTION FOR MULTIPLE-UNIT HOUSING TO INCREASE HOUSING DIVERSITY, ADOPTING A SEVERABILITY CLAUSE, AND PROVIDING AN EFFECTIVE DATE**

**WHEREAS**, Springfield has a shortage of housing that is affordable and accessible to households of various incomes and sizes;

**WHEREAS**, the 2011 Residential Land and Housing Needs Analysis for the City of Springfield estimated that about 40 percent of new housing units needed to accommodate Springfield's projected population growth from 2010 to 2030 would be multiple-unit housing;

**WHEREAS**, a 2018 report titled "Spurring multifamily housing development in Springfield, Oregon" prepared by LOCUS: Responsible Real Estate Developers and Investors found that only one multiple-unit housing project had been built in Springfield during the period from 2008 to 2018, and recommended that the City institute a multiple-unit property tax exemption to address barriers to the development of multiple-unit housing;

**WHEREAS**, in the past five years, more multiple-unit housing projects have been proposed and completed in Springfield than in the previous decade;

**WHEREAS**, according to the U.S. Census Bureau's American Community Survey 5-year data, the share of housing in Springfield that is multiple-unit housing (5 or more units) has not increased during the last decade, and as of 2022 made up only 16 percent of the city's housing units;

**WHEREAS**, new multiple-unit housing built in Springfield during the last decade has not kept pace with the estimated need outlined in the 2011 Residential Land and Housing Needs Analysis, resulting in a lack of housing diversity in Springfield;

**WHEREAS**, despite the incremental progress of past five years toward meeting Springfield's multiple-unit housing needs, a changing market context, including high interest rates, high construction costs, and high land costs has made development more difficult without financial incentives such as tax exemptions;

**WHEREAS**, the Common Council has approved a Housing Strategy that identifies and implements various initiatives to help address the City's unmet housing needs, including the need for greater housing diversity;

**WHEREAS**, ORS 307.600 through 307.637 enables cities to establish a program exempting multiple-unit housing meeting specified requirements from ad valorem real property taxes for up to ten years;

**WHEREAS**, the Common Council finds it in the public interest to adopt the multiple-unit property tax exemption as part of the City's Housing Strategy to help the address the need for more multiple-unit

housing, particularly in core areas of the City and areas close to transit, in order to diversify the housing stock and increase the accessibility of housing;

**WHEREAS**, the Springfield City Council held a public hearing on March 4, 2024 in accordance with the requirements of ORS 307.606(3), and has determined that multiple-unit housing meeting the specifications of this ordinance as outlined in Exhibit A would not be built without the benefits provided by the multiple-unit tax exemption;

NOW, THEREFORE, THE COMMON COUNCIL OF THE CITY OF SPRINGFIELD ORDAINS AS FOLLOWS:

Section 1. Springfield Municipal Code sections 3.550 through 3.558 are hereby adopted as provided in Exhibit A, which is attached hereto and incorporated herein by reference.

Section 2. The tax exemption adopted in this Ordinance only applies to the tax levy of the City of Springfield, except that the exemption shall apply to the ad valorem property taxes of all taxing districts when the rates of ad valorem taxation of taxing districts whose governing boards adopt a resolution as provided in Section 3 herein, when combined with the rate of taxation of the City, equals 51 percent or more of the total combined rate of taxation levied on the property which is tax exempt under the provisions of this Ordinance.

Section 3. The Common Council hereby directs and authorizes the City Manager to request all other taxing districts whose boundaries include the property designated for tax exemption under this Ordinance, to approve by resolution of the taxing district's governing body the policy of providing tax exemptions for multiple-unit housing as provided herein.

Section 4. Severability Clause. If any section, subsection, sentence, clause, phrase or portion of this Ordinance is, for any reason, held invalid or unconstitutional by a court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portion hereof.


Section 5. Effective Date. This ordinance shall become effective 30 days from the date of passage by City Council and approval by the Mayor.

ADOPTED by the Common Council of the City of Springfield this 6th day of May, 2024, by a vote of 6 for and 0 against.

APPROVED by the Mayor of the City of Springfield this 6th day of May, 2024

  
\_\_\_\_\_  
Mayor

ATTEST:

  
\_\_\_\_\_  
City Recorder

REVIEWED & APPROVED  
AS TO FORM  
  
\_\_\_\_\_  
DATE: 5/6/2024  
SPRINGFIELD CITY ATTORNEY'S OFFICE

CHAPTER 3 Public Improvements

HOUSING DIVERSITY TAX EXEMPTION

**3.550 Housing Diversity Tax Exemption (HDTE) – State Statutes Adopted**

The provisions of the Multiple Unit Property Tax Exemption (MUPTE) in ORS 307.600 through 307.637 are hereby adopted to stimulate the creation of multiple-unit housing through new construction, addition, or conversion in core and transit-supported areas of the City as designated in these sections 3.550 through 3.558.

**3.552 Definitions**

For the purposes of the Housing Diversity Tax Exemption code in sections 3.550 through 3.558, the following definitions apply. Where the definitions in this section conflict with a definition provided in ORS 307.603, the definition in this section will prevail. Unless specifically defined below or in ORS 307.603, words or phrases used in the Housing Diversity Tax Exemption code must be interpreted so as to give them the meaning they have in common usage.

**Approval Authority.** The individual or public body with authority to make a final decision on an application under the provisions of sections 3.550 through 3.558 of this code and the Program Guidelines: specifically, the City Manager or Council.

**Multiple-Unit Housing.** Newly constructed structures, stories, or other additions to existing structures and structures converted in whole or in part from other use to housing, where the structure has a minimum of five new dwelling units, excluding cottage clusters.

**Program Guidelines.** The standards and guidelines for this program as adopted by resolution of the Council.

**Project.** The proposed construction, addition, or conversion of multiple-unit housing for which applicant is applying for a tax exemption under this section.

**Transient Lodging.** As defined in section 7.700 of this code.

**3.554 Application Criteria**

(1) The Approval Authority may approve an application under this section if it finds that the project meets the following criteria:

- (a) The applicant has attended a pre-application meeting;
- (b) The applicant has site control at time of application;
- (c) The project is for multiple-unit housing that will add a minimum of five new dwelling units;
- (d) The project will be located within an eligible program area as shown in Figures 1 through 5 of this section;
- (e) The project will include public benefits that comply with the requirements of the program guidelines;
- (f) The project will be completed on or before the date specified in ORS 307.637;
- (g) At completion, project will conform to the requirements of the Springfield Comprehensive Plan, any applicable refinement plans or functional plans, and the Springfield Development Code, in effect at the time the application under this section is approved;
- (h) The project cannot be designed or used as transient lodging; and

(i) The project will conform with any additional criteria provided in the program guidelines.

Figure 1

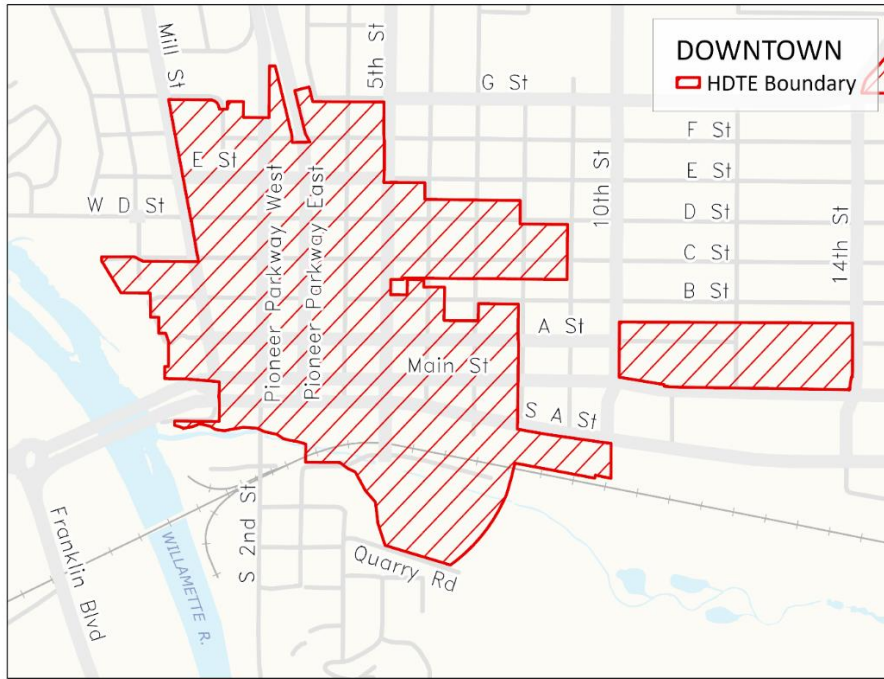


Figure 2

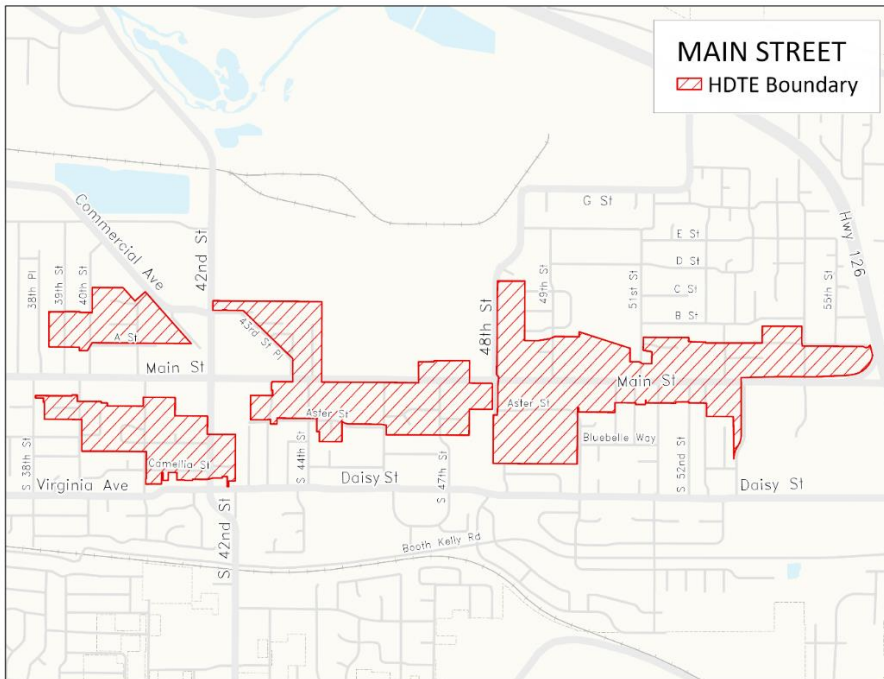


Figure 3

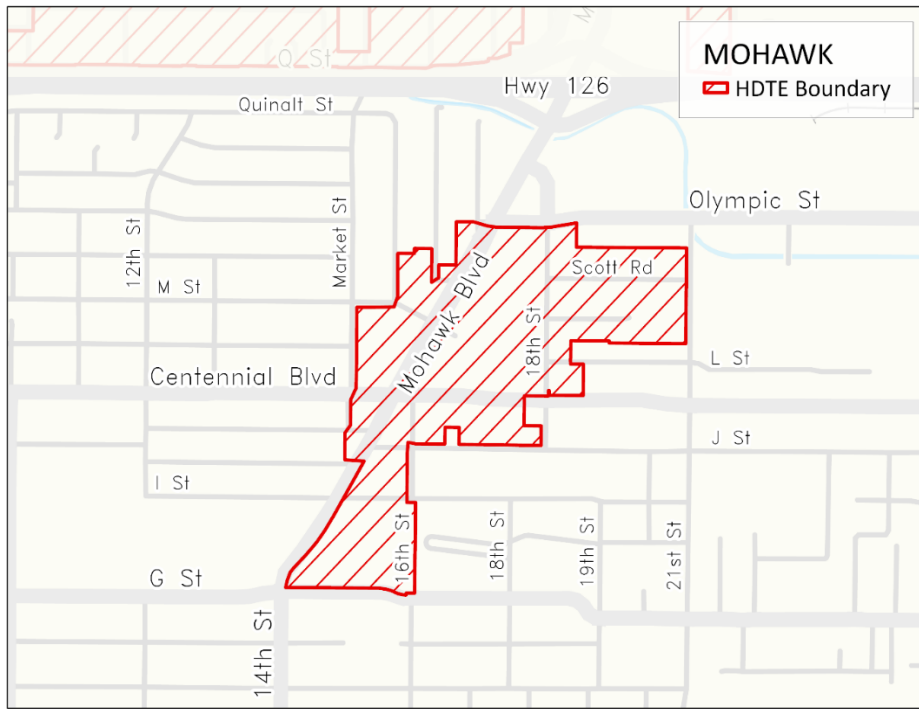


Figure 4

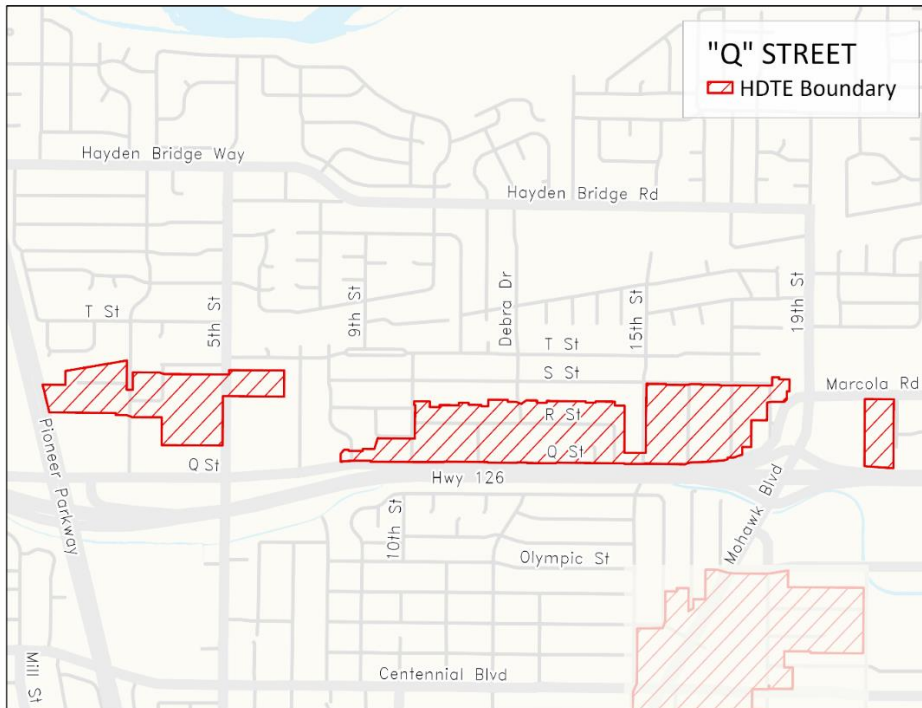


Figure 5



### 3.556 Application Review

- (1) Prior to submission of an application, the applicant must attend a pre-application meeting.
- (2) Applications must be submitted to the City Manager or designee as provided in ORS 307.615 and the program guidelines, on a form prescribed by the City Manager or designee. Complete applications must be submitted by February 1 immediately preceding the first assessment year for which the exemption is requested and must be accompanied by the application fee as established by Council resolution. Applications will not be considered complete until all required information and the application fee have been received.
- (3) The Approval Authority will review a complete application and make a final decision to approve, approve with conditions, or deny the application. An application not acted upon within 180 days of the date the complete application was received by the City will be deemed approved.
- (4) Following approval or denial of an application, the City will provide notice to the applicant and Lane County Assessor as provided in ORS 307.621.

### 3.558 Exemption

- (1) Multiple-unit housing that is granted an exemption under sections 3.550 through 3.558 and ORS 307.600 through 307.637 will be exempt from ad valorem taxation for 10 successive years. The first year of exemption is the assessment year beginning January 1 immediately following the calendar year in which construction, addition, or conversion is completed, as determined by that stage in the construction process when, pursuant to ORS 307.330, the improvement would have gone on the tax rolls in the absence of the exemption.

(2) The exemption does not include the land or any improvements which are not part of the multiple-unit housing included in the project, except as specifically allowed herein. In the case of a structure to which stories or other improvements are added or a structure is converted in whole or in part from another use to dwelling units, only the increase in value attributable to the addition of or conversion to dwelling units for the project may be exempt from taxation. The exemption includes parking constructed for the multiple-unit housing construction, addition or conversion. The exemption includes commercial property to the extent that the commercial property is determined to be a public benefit element of a multiple-unit housing construction, addition, or conversion by the Approval Authority. Exemptions run with the property and will continue if the property is sold during its exemption period.

(3) At any time, the Council may, by resolution, set a limit on the maximum amount of foregone tax revenue provided as a benefit of the exemption under this section. Provided, however, the maximum amount of foregone tax revenue shall not apply to any decrease or limit the amount of any exemption that was approved before the date a resolution is adopted under this subsection. The authority provided under this subsection includes the authority to adopt a resolution at any time to amend or repeal a limit on the maximum amount of foregone tax revenue previously adopted under this subsection.