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Across states and spanning decades, the allowance of federal and state tax breaks for property developers has been a hotbed of debate. Numbers are crunched, independent consultants are acquired, and communities provide private and public comments regarding their elected officials' plans to allocate public money to property developers to, presumably, increase the availability of housing. In Eugene, these debates have centered largely around the MUPTE program (Multi Unit Property Tax Exemptions), with yet another development team being granted ten years of tax exemption, in addition to other public funds, to build in the downtown.

Background on 1059 Willamette

Over the last five years, the City of Eugene has collaborated with developers deChase Miksis and Edlen & Company to turn the former Lane Community College (LCC) building at 1059 Willamette into a six story mixed-income and mixed-use housing project. The project, slated to begin construction in the coming months, will also include ground-floor commercial space, a public art gallery, and 10 income-qualified units for survivors of domestic violence via the Hope and Safety Alliance.

The apartment complex will bring 133 new apartments to Downtown Eugene with 68 "affordable" units with an income limit of 80% of the Area Median Income (AMI) and the remaining 65 apartments to be rented out at market-rates, with no income limits. The affordable units consist only of studio apartments that will cost tenants $1,284/mo. The market-rate studios, 1-bedroom, and 2-bedroom apartments will cost renters $1,500, $1,850, and $2,600 respectively.

The 1059 Willamette project gained momentum in 2020, when the City purchased the property from LCC using federal Community Development Block Grant (CDBG) funds, and shortly thereafter began accepting requests for proposals (RFPs) from real estate developers. Per the requirements of CDBG funds, projects must be used for housing projects wherein **at least 51% of the units are affordable to households earning 80% of AMI,** meaning households annually earning no more than $55,100 for a single person and $78,700 for a family of four. Any prospective applicants earning no greater than this amount will qualify for the 68 income-restricted studio apartments.

The only developers who submitted an RFP were deChase Miksis and Edlen & Company, along with their team of property management companies Cornerstone Community Housing and Affinity Property Management, as well as the architecture firm Rowell Brokaw. Rowell Brokaw, notably, previously employed Eugene Mayor Kaarin Knudson and continues to employ her spouse, Patrick Hannah.

The City has so far invested $10.5 million of Downtown Urban Renewal District funds in addition to donating the land to the developers for $1. Urban Renewal funds are legally restricted towards solely downtown development projects such as housing, and cannot be redirected towards other public services. In addition to the nearly 1/3 of the project paid for by public funds, the project qualified for a Multi-Unit Property Tax Exemption, where multi-family real estate developments are exempt from paying property taxes for ten years following construction. Tax breaks such as MUPTEs and Trump Opportunity Zones incentivize developers to pursue mixed-rate real estate projects in areas with a high need for affordable housing.

Understanding Tax Breaks: Opportunity Zones & Multi Unit Property Tax Exemptions (MUPTE)

Trump Opportunity Zones & 1059 Willamette

1059 Willamette sits in a Trump Opportunity Zone. Opportunity Zones (OZs) are the result of a federal tax plan signed into law by Donald Trump in 2017 by which investors, like Mark

Miksis and Mark Edlen of the deChase Miksis/Edlen, don't have to pay capital gains. OZs are purportedly meant to bring economic opportunity to impoverished areas, but as noted in a report by the Center for American Progress, the Opportunity Zone "incentive is finally being recognized for what it truly is: government-sanctioned gentrification driven by the capital gains of America's wealthiest investors."

While Opportunity Zone funds have thus far not been allocated to the 1059 Willamette project, the developers expressed their desire to secure potential Opportunity Zone resources in their RFP. Since the onset of this program, experts in economics have criticized Opportunity Zones as easily exploitable by investors, alleging OZs operate as a gentrifying force more than a way to lift a preexisting community out of economic disenfranchisement. With the cheapest available units at 1059 Willamette set at rates meant for residents at 80% of the AMI, it appears that investors are exploiting the bare minimum requirements of affordable housing subsidies in order to earn the most profits possible against the cheapest up-front costs of construction.

History and Examples of MUPTE Utilization in Eugene

With access to housing being one of the most pressing issues for Eugene and broader Oregon residents, it is no surprise that city leaders are prioritizing housing density through multi-unit property developments. In order to incentivize and enable developers to build, the Multi-Unit Property Tax Exemption was developed. The MUPTE grants **ten year tax exemptions** through subsidies to developers of housing units that meet a specific set of criteria, justifying that their construction will be of "public benefit." As per the city website, "the intent of MUPTE is to lower operating costs in the early years of a housing development so that it becomes financially feasible."

The defining idea behind the MUPTE program is that developing housing that Eugene desperately needs is not financially viable, and in order to enable property developers to do so, they must receive massive tax breaks. MUPTE applicants are required to prove that building the developments ***would not be financially viable without the tax exemption.***

While there is widespread support for initiatives to provide subsidies for more housing options, there are hefty criticisms that have been repeatedly raised by the community in public meetings concerning the ways MUPTEs have been implemented. Primarily, that MUPTEs are designed more around developers' interests than affordability for renters. Most "affordable" housing units built by MUPTE recipients require at least 60% of the municipality's median income (1059 Willamette will require 80%), with most of them being market-rate or unrestricted.

While undeniable that Eugene residents of varying socioeconomic statuses are suffering from a housing shortage, the housing units under development are mostly studios and one-bedroom apartments, with a small percentage having two bedrooms. This is not housing for families and communities, but rather for single residents. Another developer that received a ten-year tax exemption through the MUPTE program just in April of 2026 is Obie Companies —which controls the majority of the 5th Street Market, the Gordon Lofts, and many other properties across multiple states. Obie seeks to build a multi-unit complex on 5th Street and Oak called Station House, replacing a parking lot and the former home to the second-hand art supply store Mecca next to the train station. It will consist of 71 one-bedroom apartments, 41 studios, and 12 two-bedroom apartments. On top of being designed primarily for single occupants, the Station House and 1059 Willamette development teams have something else in common: They are the first two MUPTE recipients granted tax exemption for their retail spaces as well as their housing units.

City council member Alan Zelenka, who voted against the allocation of MUPTEs for 1059 Willamette and Station House, has repeatedly voiced doubt that the developers who have been awarded with exemptions have real need, stating in an April 2025 work session (1:43), “I still remain unconvinced that these projects would not be built without a MUPTE. We’ve never had one apply that was denied… Especially with so many examples of buildings nearby that were built without MUPTES.”

It is difficult to understand how developers such as deChase Miksis and Edlen & Company and Obie Companies could successfully convince our city leaders that not only will $1200+ studio apartments contribute to public benefit, but that building without a ten-year property tax exemption wouldn’t be financially viable. Notably, Obie also received a MUPTE for its development of the Gordon Lofts luxury apartments.

Resistance to 1059 Willamette

For these reasons, in 2021 community members repeatedly appealed City Council to resist the use of public funds to subsidize the construction of 1059 Willamette and other similar projects. In the wake of the instability wrought by the COVID-19 lockdown and the George Floyd Uprising in 2020, community members expressed concern over the city’s investment into a real estate project that would not meaningfully create affordable, equitable housing. Grassroots organizers called instead for an approach to downtown urban renewal that supports innovative land projects and housing initiatives such as a community land trust, rather than yet another private development project.

Quoting the article *The Enduring Fiction of Affordable Housing,* community members urged City Council, then-mayor Lucy Vinis, and the city manager that, “the central beneficiaries of Affordable Housing policy are not tenants but developers and investors—a dynamic affirmed by the revolving door between policy benefits and real estate lobbying efforts.”

In its justification for subsidizing 1059 Willamette, the City insisted that there are few housing options for households earning 60-80% AMI; yet, this development's minimum prices for the "affordable" units are set at the upper margin, with studios affordable only to those earning 80% AMI— therefore failing to serve those earning 60-75% (and below) AMI who have a greater need for rental rates within their means.

Worse yet, critics point out, is not only did developers for 1059 Willamette receive millions in government handouts, the City of Eugene gave away the land to these powerful stakeholders for only $1. Despite an open letter signed on by more than a dozen local nonprofits, City Council ignored constituents' concerns and continued to pursue 1059 Willamette; convinced that an apartment complex charging rents set relative to 80-100% AMI could adequately address Eugene's affordable housing crisis.

Scrutiny towards 1059 Willamette has gained renewed fervor amidst the increasingly obvious conflicts of interest concerning Mayor Kaarin Knudson's role as a public official and her position as an architect at Rowell-Brokaw. The $10.5 million in taxpayer dollars donated directly from the city, including the $8.66 million newly approved in June 2026, come from the City Council and Mayor-controlled Downtown Urban Renewal District funds. **This self-serving donation —along with the Mayor's own recent admission to community member and organizer Zondie Zinke that she expects to make partner at Rowell-Brokaw after her mayoral term is complete— demonstrate nothing less than textbook conflict of interest.**

A Call for Real Affordable Housing

Some of our city councilors' clear desire for more housing in the downtown is admirable, as are the goals of sustainability outlined in the MUPTE criteria. But, as some city councilors will admit, despite its potential contributions MUPTEs are not a perfect solution for the housing challenges Eugene faces.

Councilor Jennifer Yeh has gone on record questioning the public benefit in granting retail spaces tax exemption status; and similarly Councilor Lyndsie Leech has asked who specifically in the neighborhood would benefit from incoming retail space occupants. Additionally, Councilor Matt Keating considered the disruption to the ecosystem and bird migration patterns near outdoor spaces that further developments could risk. Finally, Councilor Alan Zelenka has continually questioned why none of the MUPTE applicants are ever turned down.

This imminent development project fails to serve everyone other than developers and individuals or pairs of professionals earning upwards of 78,700 per year. These units are not for poor and working class people. They are not for families, or those seeking to live in community groups. Instead of handing over the land to private interests for $1, it could have been donated to an organization that could create a temporary shelter in downtown, a community land trust or a limited-equity cooperative building, or some other kind of low-income housing.

As city leaders seek to heed the call for legitimately affordable housing, we urge them to apply serious scrutiny to the stakeholders and beneficiaries, and to listen to grassroots proposals for real solutions.