



**Tualatin Hills Park & Recreation District
Minutes of a Regular Meeting of the Board of Directors**

A Regular Meeting of the Tualatin Hills Park & Recreation District Board of Directors was held on Tuesday, February 14, 2017, at the HMT Recreation Complex, Dryland Training Center, 15707 SW Walker Road, Beaverton, Oregon. Executive Session 6 pm; Regular Meeting 7 pm.

Present:

Jerry Jones Jr.	President/Director
Ali Kavianian	Secretary/Director
Bob Scott	Secretary Pro-Tempore/Director
John Griffiths	Director
Larry Pelatt	Director
Doug Menke	General Manager

Agenda Item #1 – Executive Session (A) Legal (B) Land

President Jerry Jones Jr. called executive session to order for the following purposes:

- To consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed, and
- To conduct deliberations with persons designated by the governing body to negotiate real property transactions.

Executive session is held pursuant to ORS 192.660(2)(e)and(h), which allows the board to meet in executive session to discuss the aforementioned issues.

President Jones noted that representatives of the news media and designated staff may attend executive session. Representatives of the news media were specifically directed not to disclose information discussed during executive session. No final action or final decision may be made in executive session. At the end of executive session, the board returned to open session and welcomed the audience into the room.

Agenda Item #2 – Call Regular Meeting to Order

The Regular Meeting of the Tualatin Hills Park & Recreation District Board of Directors was called to order by President Jerry Jones Jr. on Tuesday, February 14, 2017, at 7:05 pm.

Agenda Item #3 – Action Resulting from Executive Session

Ali Kavianian moved that the board of directors approve Resolution No. 2017-02, a Resolution Declaring the Need to Acquire Property, by Condemnation if Necessary, for the Purpose of Constructing and Completing a Recreational Trail and Related Improvements.

Bob Scott seconded the motion. Roll call proceeded as follows:

John Griffiths	Yes
Larry Pelatt	Yes
Bob Scott	Yes
Ali Kavianian	Yes
Jerry Jones Jr.	Yes

The motion was UNANIMOUSLY APPROVED.

Ali Kavianian moved that the board of directors authorize staff to negotiate and enter into an intergovernmental agreement for the design and construction of a culvert crossing in the northwest quadrant, including accepting donation of an easement over the crossing, subject to the appropriate due diligence review and approval by the general manager.

Larry Pelatt seconded the motion. Roll call proceeded as follows:

Bob Scott	Yes
John Griffiths	Yes
Larry Pelatt	Yes
Ali Kavianian	Yes
Jerry Jones Jr.	Yes

The motion was UNANIMOUSLY APPROVED.

Bob Scott moved that the board of directors authorize staff to accept an easement for a trail in the northwest quadrant of the district; to reimburse the grantor for trail improvements using system development charge funds for a cost not to exceed the amount discussed during executive session; and to enter into a maintenance agreement for the easement and surrounding property. All documents required for these transactions shall be subject to the standard due diligence review and approval by the general manager. Larry Pelatt seconded the motion. Roll call proceeded as follows:

John Griffiths	Yes
Ali Kavianian	Yes
Larry Pelatt	Yes
Bob Scott	Yes
Jerry Jones Jr.	Yes

The motion was UNANIMOUSLY APPROVED.

Agenda Item #4 – Audience Time

There was no testimony during audience time.

Agenda Item #5 – Board Time

John Griffiths commented on the traffic congestion around the HMT Recreation Complex in the evenings and suggested delaying future board meetings' start times to allow traffic to clear.

- ✓ President Jones replied that this suggestion would be taken under consideration.
- ✓ General Manager Doug Menke noted that upcoming roadway improvement projects in the area might eventually alleviate some of the traffic congestion.

Larry Pelatt complimented district staff on their handling of the inclement weather days that have been prevalent this winter.

- ✓ President Jones expressed agreement with Larry's comment, noting that the extended hours at some of the district's facilities in order to help make up classes and programs that were postponed due to weather was appreciated by the patrons.

Agenda Item #6 – Consent Agenda

Larry Pelatt moved that the board of directors approve consent agenda items (A) Minutes of January 10, 2017 Regular Meeting, (B) Monthly Bills, (C) Monthly Financial Statement, and (D) Resolution Concerning Recreational Immunity Under ORS 105.672 to 105.696 (Public Use of Lands Act). Bob Scott seconded the motion. Roll call proceeded as follows:

John Griffiths	Yes
Ali Kavianian	Yes
Bob Scott	Yes
Larry Pelatt	Yes
Jerry Jones Jr.	Yes

The motion was UNANIMOUSLY APPROVED.

Agenda Item #7 – Unfinished Business

A. Programs Functional Plan Modifications

General Manager Doug Menke introduced Eric Owens, superintendent of Recreation, to provide an overview of proposed modifications to the Programs Functional Plan adopted in June 2015.

Eric provided an overview of the memo included within the board of directors' information packet, noting that since adoption of the Programs Functional Plan in June 2015, district staff has begun a process to obtain agency accreditation by the Commission on the Accreditation of Park and Recreation Agencies (CAPRA). Through this process, staff has determined that the Programs Functional Plan would benefit from the inclusion or modification of certain areas:

- Service Delivery Monitoring
 - Provide more depth to the district's approach in gathering feedback on programs.
 - Add a matrix for specific program area goals and objectives.
- Service Assessment Matrix
 - Simplify the current matrix and process for collecting and reporting information.
- Reporting Information
 - Include more reporting data regarding year-end activity summaries or reports to help provide better direction for future programming.
- Programming Standards Manual
 - Elements of Conestoga Recreation & Aquatic Center's Programming Standards Manual will be included to help standardize certain patron experiences from facility to facility.

Eric noted that district staff will present these proposed modifications to the Programs & Events Advisory Committee at their next meeting followed by final board approval requested at the April Regular Board meeting, and offered to answer any questions the board may have.

Bob Scott inquired whether there are any costs associated with obtaining agency accreditation through CAPRA.

- ✓ Aisha Panas, director of Park & Recreation Services, replied that the primary expense is a \$3,500 application fee paid to CAPRA in order to cover the costs associated with reviewing the voluminous amount of material that will be submitted by THPRD, as well as staff time. She explained that going through this process offers the district an opportunity to capture, document and formalize all of the institutional memory within the district for future reference and described the internal staff team approach being utilized in collecting this information.

President Jones stated that he is especially pleased to see that the Conestoga Recreation & Aquatic Center's Programming Standards Manual will be applied to other district facilities.

B. General Manager's Report

General Manager Doug Menke provided an overview of his General Manager's Report included within the board of directors' information packet, including the following:

- THPRD Receives Distinguished Budget Presentation Award
 - Keith Hobson, director of Business & Facilities, announced that the Government Finance Officers Association has awarded the district with the Distinguished Budget Presentation Award for the fiscal year 2016/17 annual budget document.
- Board of Directors Meeting Schedule

Doug offered to answer any questions the board may have.

The board congratulated district staff on receiving the Distinguished Budget Presentation Award.

Agenda Item #8 – New Business

A. Affordable Housing and Systems Development Charges

General Manager Doug Menke introduced Keith Hobson, director of Business & Facilities; Randy Ealy, Chief Administrative Officer for the City of Beaverton; and, Rob Massar, Assistant County Administrator for Washington County. These presenters are in attendance this evening to provide an overview of each agency's strategy in addressing the area's affordable housing needs.

Keith Hobson, director of Business & Facilities, provided an overview of the document included within the board of directors' information packet titled "Affordable Housing and Systems Development Charges: Potential Strategies," which reviews the issue from the perspective of competing public priorities: maintaining the parks and recreation service level through Systems Development Charge (SDC) funding, and controlling the cost of development in an effort to support affordable housing projects. He referenced the board's approval of participating in an affordable housing tax exemption program at the August 2016 board meeting and acknowledged the urgent need for affordable housing in our community.

Keith noted that, as the board is well-aware, SDCs are not an arbitrary fee, but are driven by the existing service levels of the district and a formula calculation that assigns the proportional cost of maintaining this service level to new development that creates the need for adding capacity to the parks system. As an issue of competing public priorities, there is no one right answer. Staff has reviewed four potential SDC waiver strategies that could be considered in the interest of providing some limited relief in the SDC costs of developing affordable housing:

- Strategy 1: Provide waivers for all affordable housing units developed and operated by non-profit housing providers or other public agencies. The city's estimate is that this could represent about 30 units per year within the city's boundaries.
- Strategy 2: Provide waivers for all affordable housing units regardless of who develops and operates them. While this could significantly expand the number of waivers per year, it is unlikely given the need for subsidies to provide affordable housing.
- Strategy 3: Provide a set number of affordable housing SDC waivers to the city and county to allocate as they see fit. This would limit the fiscal impact to the SDC program to a definable amount and give discretion to the other agencies to allocate the waivers.
- Strategy 4: Similar to 3 except that it ties the district's ability to provide waivers to the receipt of outside funding for projects in the SDC Capital Improvement Plan (CIP). This would ensure that the SDC CIP is protected, which ultimately ensures the protection of park service levels, but does not provide assurance that the district would be able to provide SDC waivers since that would be dependent on outside funding.

Keith concluded his presentation by noting that these strategies are being presented this evening to start the discussion on what an SDC waiver program may look like and the board could choose to implement a portion of one of the strategies, a combination of several, or opt to review each request for a waiver on a case-by-case basis. However, the benefits of developing an overall strategy are that it ensures consistent treatment of various projects and also provides greater cost certainty in the development of affordable housing projects.

Randy Ealy, Chief Administrative Officer for the City of Beaverton, provided a detailed overview of the city's affordable housing needs and statistics via a PowerPoint presentation, a copy of which was entered into the record, and which included the following information:

- Affordable housing has been designated a top priority for the City of Beaverton
- The increase in poverty levels within the city coinciding with dramatic increases in rents
- Funding the city contributes toward social services and affordable housing projects
- A request that THPRD waive a portion of its SDCs for affordable housing units included in an upcoming housing development, the Rembold Project on Westgate

Randy offered to answer any questions the board may have.

Bob Scott inquired whether a developer is bound to keep affordable housing units affordable for a specific amount of time after receiving benefits such as SDC waivers and other credits.

- ✓ Randy replied that it depends on what was agreed to by the developer.
- ✓ Keith added that a common term is that the affordable housing units must remain affordable for 20 years.

John Griffiths asked for additional information regarding the statistic presented of a 10% to 15% increase in poverty levels over the past five years.

- ✓ Randy replied that the city's community development department determined this statistic using the latest US census data for Washington County.

John asked for the total percentage of population living in poverty for Washington County.

- ✓ Keith replied that the poverty level based on total population has grown from 10% to 15% over the past five years.

John asked who makes the choice as to who will be living in the affordable housing units.

- ✓ Randy replied that he will seek additional information regarding this question. A similar question is who decides where the affordable housing units are placed within the development.

John referenced a recent Metro Policy Advisory Committee meeting he attended during which discussion occurred regarding a court case seeking to overturn SDC waivers under the opinion that such waivers are arbitrary and that only a small portion of the population benefits.

- ✓ Randy replied that he was not aware of this court case, but that city staff has been advised to check with city legal counsel regarding the authority by which creativity can be applied to SDC waivers and credits. The city typically reimburses itself when issuing a water SDC waiver.

Ali Kavianian questioned whether there are any assurances that the tenants who qualify for affordable housing remain under this qualification during their rental term. Additionally, whether there are any safeguards to protect against the subletting of affordable housing units to those who would not qualify for affordable housing.

- ✓ Randy replied that he will seek additional information regarding such assurances.
- ✓ President Jones commented that these duties may be handled through the property manager but he would be interested in learning how a property manager would police such requirements and how often.

Larry Pelatt described a recent problematic affordable housing development in Portland that was not properly enforced or audited. Some of the tenants living there should not have qualified for subsidized housing, yet there was no way to legally remove them. He commented that the detail in forming the initial agreements is critical in that the desire is to provide a long-term benefit.

- ✓ John expressed agreement, noting that he has concerns regarding reversion once the development is not being as closely monitored. He worries that although the district may have done its part by granting a SDC waiver, unless the long-term agreement is followed through, the public good intended is not sustained. He stated that the structure of how the affordable housing mechanism works and sustains itself over time would be important for the district's board members to understand.

Rob Massar, Assistant County Administrator for Washington County, provided a detailed overview of the county's strategy in addressing affordable housing needs via a handout of a PowerPoint presentation, a copy of which was entered into the record, and which included the following information:

- A minimum of 14,000 more affordable housing units are needed in Washington County

- The county is currently considering proposing a local option tax to its constituents in order to help address these needs
- The tax rate under consideration would generate \$22.2 million annually, translating to 250 additional affordable housing units, and 50 existing affordable housing units preserved, each year
- Additional program areas funded under the tax would include early learning, workforce training, and rental assistance/stabilization
- The Washington County Board of Commissioners has directed county staff to work with a polling firm to determine the voters' interest level for such a tax
 - The survey is anticipated to go public in two weeks, with the results presented to the commissioners in late March
 - If there is confirmed interest on the part of the voters, county staff will engage with their partners regarding implementation

Rob offered to answer any questions the board may have.

President Jones referenced his past experience serving on the county's Homeless Plan Advisory Committee, noting that a lot of discussion occurred on how to involve developers in addressing affordable housing needs. The proposed local option tax is a great comprehensive step forward. He supports the inclusion of funds for early learning and workforce training as it provides opportunities for residents to help themselves out of poverty and could offer a sustainable solution.

- ✓ Rob agreed that the issue of affordable housing has been discussed for a long time and that it will be interesting to see the outcome of the survey work.

President Jones commented that along with city and county officials taking up this issue, it is going to take every agency's effort and partnership to be successful.

Rob provided an overview of the cost breakdown per affordable housing unit of \$50,000, which is meant to close gaps in funding through non-profit groups and backfill other costs.

- ✓ Randy described the various agencies involved in the Rembold Project.

President Jones asked about Metro's role in addressing affordable housing needs.

- ✓ Larry commented that he believes there may be restrictions in regard to what role Metro can play in this area, but that there is currently discussion taking place on a legislative level that may loosen some of those restrictions.

John asked for additional information regarding the estimate provided of \$11,000 per child spent annually for early learning, noting that the amount seems high.

- ✓ Rob replied that he will seek additional information regarding this estimated cost.

John inquired whether the county is concerned about diluting the message of the proposed local option tax by including other social services such as early learning and workforce training.

- ✓ Rob replied that the proponents involved in putting together the proposed tax felt very strongly that these strategies should accompany funds for affordable housing.

John asked whether the intent would be for the residents who are using the affordable housing services to also partake in the early learning and workforce training.

- ✓ Rob replied that the early learning and workforce training programs would be available to residents beyond those who are participating in an affordable housing program. Rob noted that there is a capped five-year waiting list within the county for affordable housing.

Larry described the City of Portland's experience in passing an affordable housing measure, noting that once social services such as early learning and workforce training were included, the polling numbers went up significantly.

Randy thanked the THPRD Board of Directors for supporting a resolution last year authorizing the use of a low income housing tax exemption program by the City of Beaverton. He noted that the Rembold Project will break ground in May and that he will get back to the board through General Manager Doug Menke on the questions asked this evening.

- ✓ Keith noted that district staff would also seek legal advice regarding any restrictions pertaining to SDC waivers.

John commented that it would be helpful for the board to understand how affordable housing is set up in order to remain affordable and sustainable.

- ✓ Rob expressed agreement with Keith's earlier comment that a standard term for affordable housing is to remain as such for 20 years, noting that there is a process the housing authority goes through annually to monitor any subletting issues and tenant income levels. The ultimate desire is for affordable housing tenants to eventually be able to move into market rate units due to their increased income levels through programs such as workforce training.

John asked whether it would be the county's responsibility to monitor this process.

- ✓ Rob confirmed this with hesitation, noting that this is new territory for the county, especially in having monitoring processes in place for not only non-profit affordable housing developments, but for-profit affordable housing developments.

Rob provided an overview of various non-profit and for-profit affordable housing developers the county has worked with and the complexities associated with both types of developments. He described the county's partnership with a for-profit affordable housing developer that they would like to see replicated with another remnant property owned by the county on SW 185th Avenue and Baseline. He noted that incentivizing developers who do not typically include any affordable housing within their developments will present unique challenges, as well.

- ✓ Randy described how forgivable loans can be a tool to incentivize such developers.
- ✓ Rob described some complications that have arisen in using tax credits to incentivize affordable housing.

President Jones commented that in seeing so many agencies coming together to address the need for affordable housing, he believes THPRD should be playing a role, as well. He would like district staff to further analyze these strategies and what role THPRD should play in regard to the future of affordable housing. Jerry referenced the Rembold Project's request of the district to waive 6.5% of its SDCs for the proportional amount of affordable housing units included in the development. He asked whether a similar strategy could be utilized by the district overall in applying a blanket percentage or a cap for SDC waivers. He also referenced the idea of creating a social services fund that could be used to backfill SDCs, but would also be a more holistic approach to the need.

Jerry questioned what the repercussions are if a developer transfers affordable housing units to the market rate short of the 20-year requirement.

- ✓ Larry noted that the City of Portland has various models it uses for affordable housing developments, including staggering the number of units that can be transferred to market rates before the end of the specified term, to requiring that all units remain affordable for the entire term or else having to pay back any incentives received if this is violated.

Jerry commented that he would like to see the city and county be strong in such requirements.

- ✓ John questioned the sustainability of retiring affordable housing units after 20 years when the area's population continues to grow, along with the need for more affordable housing.
- ✓ Larry explained how the practice of retiring affordable housing units is seen as an old model that may be on the way out due to its inefficiencies.

President Jones suggested the board consider holding a work session on this subject to review any additional information regarding the strategies presented this evening, as well as the answers to the questions asked, and to consider the SDC waiver request for the Rembold Project.

- ✓ Larry questioned whether a work session would be premature until additional information is received regarding the legality of SDC waivers. He noted that THPRD is a relatively small player in the world of affordable housing and that it is not a question of whether the district will help, but how.
- ✓ John commented that with SDCs being the district's only source of growth funding, it would be beneficial for the district to be involved in any such discussions at the outset.
- ✓ Larry questioned the concept of waiving SDC fees for affordable housing projects when the residents of such developments also tend to utilize the district's free facilities at a greater rate than the overall population. He noted that although he is not opposed to this direction, the board needs to be involved in that discussion to help shape it.
- ✓ Bob Scott expressed agreement with Larry's comments, noting that he, too, would like to receive answers to the questions raised this evening before holding a work session.
- ✓ John commented that more SDC waiver requests will be coming in the future so it would be best for the district to establish a policy that can be applied consistently.

President Jones noted that the board's priority at this point will be to receive answers to the questions asked this evening, to be followed by a work session or meeting where hopefully a collective consensus can be reached on an affordable housing policy.

- ✓ Keith noted that staff would compile and send the board a list of the questions heard this evening for their review and confirmation, followed by researching the answers.

Agenda Item #9 – Adjourn

There being no further business, the meeting was adjourned at 8:20 pm.

Jerry Jones Jr., President

Ali Kavarianian, Secretary

Recording Secretary,
Jessica Collins