



Hood River Valley Parks and Recreation District Board of Director's Meeting SDC Methodology Hearing and Special Meeting Minutes

Wednesday, March 21, 2017

Call Special Meeting to Order:

In attendance: Board Members Greg Davis, Art Carroll, Matt Rutledge; District Director Mark Hickok, Interim Assistant Director Marcie Wily; FCS Consultants Todd Chase and Tim Wood; Members from the Public, Heather Staten, Susan Crowley, and Andrea Klaas

1. Public Hearing: Hood River Valley Parks & Recreation District System Development Charge Methodology Update Close Public Hearing

Davis called the meeting to order at 7:00 PM. Pursuant to the ORS ... Davis reviewed when various publications of the SDC Methodology. Davis said that one letter was received from the City of Hood River after the publication date, but that the District would accept the letter as comment.

Rutledge read the letter out loud from the Mayor Paul Blackburn from the City of Hood River. The letter gave a brief overview priority to establish policy to optimize affordable and available housing. The city has adopted a strategy to lead its efforts and believes the Parks District can help the people that both agencies are trying to help by contributing to the housing goals of the city. The city hopes that the Parks District will try to incentivize developers to put in affordable housing by giving them a reduction in SDCs. The city asked that provisions be included in the adopted SDC Methodology to allow for future IGAs to define fee reduction packages. The city also suggested an update to the tiered fee structure for SDCs to reward smaller homes and add more SDC cost to larger homes.

Davis welcomed public comment.

Heather Staten commented that she hoped that the District would consider the city's suggestion to adjust SDCS methodology to help the city's housing goals, by waiving SDCs in certain situations, like in accessory units or in projects that are targeted towards long term affordable housing. She also supported scaling SDCs by house size. She cited a few places in the revised methodology that she thought were potentially unlawful. She referred to page eight and compliance costs regarding administration and soft costs, citing examples like permitting and consulting studies. She said that those things would be deemed administrative and development costs as far as the statute construes them, not compliance costs. The next item she brought up was on page ten regarding the maximum allowable SDCs adjusted by 6%. She charged the SDC statute does not require changes to be related to an index. For 2016-17, she suggested the Parks District might be able to adjust it upward by 2%, but that 6% might not be lawful.

She had a question about the maximum allowable SDCs regarding the phase in strategy. She asked that once the rate had reached the maximum allowable rate if that meant that the rate would be capped out or is the plan to raise them by the index annual adjustment.

Susan Crowley started by stating her involvement of the city's West Side Concept Plan. She distributed her letter that included two charts from the Westside Area Concept plan (page 21). The letter stated her support of the Parks District in its efforts to update its SDC methodology to adequately fund new parks for the city expansion. She said that the population expansion of Hood River will be felt mainly in the west side, which comprises almost a third of the city's land area. She said that the city is considering up-zoning the west side, which may more than double the number of units allowable in the current zoning practices and thereby pack a large amount of people into the area. Because the Parks District is committed to the aquatic center and its future needs that very little of the Parks District capital improvement fund would be available for neighborhood and community parks. As a result, she felt that the SDC should be expanded, not reduced, as the city suggested. Helping the city with the housing debate is outside the mission of the Parks District. She stated that with more people coming to the city, there will be a need for more parks and that infrastructure was not free.

Andrea Klaas stated her support of the Parks District's request for the 6% increase in the SDC Methodology rate. She stated that the cost of land is increasing and that there are many Parks Districts trying to acquire land to increase parks and connectivity. In the city's municipal code, under the SDC fee section, they exempt the city from charging SDCs for low income housing projects. They are asking the Parks District to reduction in the SDCs you would receive, and they implied that they would reduce theirs, but she stated that the city wasn't going to charge any SDC fees. She stated that land was becoming more expensive, and we are increasing the population with the Westside Plan. She stated that the Parks District needs adequate resources to increase the parks and supply those amenities for the residents that are coming here for the parks and the outdoor experience that Hood River offers. She does support the proposal of a 6% increase. She stated the increase would increase the multi-family per unit fee by \$133, and she didn't feel that was too much.

Linda Maddox stated that she lived here for 30 years and that she was attracted to the livability of Hood River. She stated that livability has been a value and a goal of the city council until recently. She stated that in the rush to house people, it appeared that the city lost the vision of livability. She doesn't feel that the West side should have to absorb all the density. She stated that she has supported the need for parks for and that she considered herself the grandmother of the waterfront park. She stated that couldn't believe that Kate McBride, city council board member, asked to reduce the SDCs in a city council meeting. She concluded by stating her support of the efforts of the Parks District and appreciates that Hickok is here.

Todd Chase from FCS Consulting (the author of the SDC Methodology) introduced himself and started by addressing Staten's questions starting with Compliance. The literal interpretation is the cost of complying with that SDC program and the states statutes. He said that it is often loosely interpreted. Most jurisdictions charge between three to eight percent of an administrative compliance fee. The amount the Parks District was derived based on a calculation the prior director provided, and it does include some legal costs with buying land or appraisal fees. He explained that many of those types of softs costs are often pushed into capital project list cost, not the admin cost. As a result, it did bump the compliance cost higher than most jurisdictions. He stated that the District has the flexibility to charge a lower admin fee, but push the soft cost into the project cost item line. He pointed out that it wouldn't change the overall fee, but it would just be a difference in how it is accounted for. Mahurin questioned

whether it was unlawful, as Staten cited. Chase said that it could be challenged during the adoption process, but he doubted that it would be. He suggested that there could be a grey area for having soft costs for the design of a park in the admin category. He suggested that if the District was not going to adopt the SDC Update, then perhaps the District should lower the admin cost and put those costs into the capital program.

Chase also addressed Staten's question of the inflation adjustment of six percent. He explained that this document sets the ceiling of what this District can charge. The District can charge anything between what is being charged now and that ceiling during the adoption process. The six percent was chosen because that is the maximum that can be adjusted under the current methodology, but it can be adjusted higher. FCS is recommending that you the District that we go to that 20 City Index going forward which would limit the amount of increase on the maximum defensible SDC by around three percent per year.

Hickok asked for clarification on the ceiling and the amount the District could charge. He asked if the rate the district charged went up six percent from the existing number if the ceiling would also increase at about three percent, which Chase affirmed. Staten also questioned that because it was not indicated in the document that the District could abandon the six percent increase and go to the maximum and do annual inflation adjustment.

Chase talked about varying the fee based on dwelling size. He used Portland as an example and said that making a comparison with Hood River is not practical because it is a smaller community. He compared a similar situation in New Port where they vary the SDC by size, but it applies to every other SDC other than parks. It made sense with the other SDCs because of the smaller space, but they could not make the same comparison with SDCs for Parks. There is a way to tier the units based on square feet and charge for renovations for the first time. He recommended that the city lead that approach, not the Parks District. If they want to exempt the charge for a deed restricted affordable housing unit that would be a policy decision on the Parks District.

Davis announced the closing for the public hearing.

Crowley asked if an email could be submitted for public comment. Hickok stated that because public comment had been posted according to the law and the time had passed, he suggested that it not be allowed but said that it was up to the board. The board agreed.

Rutledge moved to close the System Development Charge Hearing Meeting, and Mahurin seconded the motion. The meeting was closed unanimously.

Open Special Meeting (if needed) immediately Following the SDC hearing but not before 7:30pm

New Business

a. Resolution – A RESOLUTION AMENDING REPEALING RESOLUTION NO. 98-99/05 AND ADOPTING NEW PARK AND RECREATION SYSTEM DEVELOPMENT CHARGES ON NEW DEVELOPMENT Hickok (5 mins) Adjourn

Davis said that called the special meeting to order. He asked Hickok to share his expectations that the board take procedurally to adopt the updated SDC resolution.

Hickok explained that in order to adopt the Updated SDC resolution the board would have to rescind the old resolution. The resolution would repeal the original 1998 and the 2005 amendments, and it would put in place the new procedures. He suggested that the resolutions might be made at a different date to make some of the suggested changes.

Chase said there is a 60 day appeal process from the time the resolution is put in place. Hickok said that the board could move forward at the April board meeting or sooner.

Davis wanted to address the comment received, and that he felt encourage by the comments to accept more and accept less, and he felt like that was good sign.

Conversation was had regarding the compliance category. Chase said that moving things around would not change the total fee. Hickok said that he would prefer to move the fees if it would make it more defensible in court.

Mahurin expressed displeasure with the city's request. Davis asked if we proceed with a resolution similar to the draft that we received tonight can the board adopt the policy that grants the board a continuing level of discretion on collecting on certain types of property, like affordable housing. Chase responded that there are certain exemptions from an SDC charge. He stated that some deed restricted housing can be exempt. He indicated that it's a new area, but that it is possible. Hickok asked if it could be done at a later date and Chase affirmed.

Davis asked if we could pass our first resolution to rescind our prior methodology and implement the new methodology. After that time we could pass new resolution that modify it to address some of the changes presented that fall within the bounds of the methodology. Chase concurred.

Hickok stated they would update the methodology in the compliance cost area. He asked if the board would like to move forward with the resolution as written or wait until the district had discussions with the city. Davis stated that we should move forward with the resolution since we have leeway in the methodology.

Discussion was had when schedule a special meeting to pass the resolution. Rutledge requested to table it for the April board meeting. Mahurin concurred.

Mahurin moved to adjourn the special meeting. Rutledge seconded the motion. Meeting was adjourned unanimously.