



Administration Office
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**Board of Directors Work Session
Wednesday, July 22, 2020**

**4:30 pm Executive Session
5:30 pm Work Session**

AGENDA

1. Executive Session*
 - A. Legal
 - B. Land
2. Work Session
 - A. [SDC Discussion on Affordable Housing, Level of Service and Unit Cost](#)
 - B. [Park Patrol](#)
3. Adjourn

Due to the current State of Emergency as a result of the COVID-19 pandemic, the THPRD Board of Director's July 22, 2020 Work Session will be conducted electronically. Live streaming of this meeting will be available at <https://youtu.be/vWmuKTS67hE> and also posted on the district's website at www.thprd.org

***Executive Session:** Executive Sessions are permitted under the authority of ORS 192.660. Copies of the statute are available at the offices of Tualatin Hills Park & Recreation District.

**** Audience Time / Public Testimony:** Testimony is being accepted for this meeting on the above-referenced topics by email only. If you wish to submit testimony, please do so **by 3 pm on July 22, 2020** to boardofdirectors@thprd.org. Testimony received by the designated time will be read into the record during the applicable agenda item with a 3-minute time limit.

In compliance with the Americans with Disabilities Act (ADA), this material, in an alternate format, or special accommodations for the meeting, will be made available by calling 503-645-6433 at least 48 hours prior to the meeting.



MEMO

DATE: July 16, 2020
TO: Board of Directors
FROM: Doug Menke, General Manager

RE: **Information Regarding the July 22, 2020 Board of Directors Work Session**

Agenda Item #2 – Work Session

A. **SDC Discussion on Affordable Housing, Level of Service and Unit Cost**

Attached please find a memo noting that Jeannine Rustad, Planning Manager, and consultant Deb Galardi will be in attendance at your work session to provide background information and seek board feedback on system development charge (SDC) issues related to Level of Service and Affordable Housing Waivers.

B. **Park Patrol**

Attached please find a memo noting that Mark Pierce, Security Operations Manager, will be at your work session to provide a comprehensive update on the work of the district's park patrol team.



MEMO

DATE: July 10, 2020
TO: Board of Directors
FROM: Doug Menke, General Manager

RE: **SDC Discussion on Affordable Housing, Level of Service and Unit Cost**

Jeannine Rustad, Planning Manager, and consultant, Deb Galardi, will be in attendance at the July 22 work session to provide background information and seek board feedback on the following system development charge (SDC) issues:

1. Level of Service
2. Affordable Housing Waivers

Attachment 1 provides background information and specific questions for which staff is seeking input, as well as considerations and recommendations on each question. Input provided will inform the final recommendations for the methodology update, which will be brought to the board in August. Attachment 1 also provides background information on changes to be made to accessory dwelling unit SDC rates, method of calculating employment SDCs, and changes to overlay areas. While these are presented for the board's information, any input or concerns are welcome.

Also attached for the board's consideration are:

- **Attachment 2** – materials from stakeholder meeting 2 covering level of service and unit costs (Ms. Galardi will cover the memo included in this material for the board)
- **Attachment 3** – Letter from Wishcamper Development Partners proposing considerations for affordable housing waivers
- **Attachment 4** – Time line
- **Attachment 5** – Summary of the approach taken by other jurisdictions regarding affordable housing waivers.

In reviewing these materials, please keep in mind that the rates do not include the district's costs of compliance. Staff are currently working with city and county building officials regarding their collection fees, which are currently 1.6%. The county has indicated that actual costs are 2.6%, as well as a one-time fee of \$10,000 to update software to reflect changes in the district's residential fee structure. Compliance costs, as well as fund balance, may result in slight upward or downward changes in rates.

**SYSTEM DEVELOPMENT CHARGE WORK SESSION
ISSUES AND RECOMMENDATIONS
JULY 22, 2020**

LEVEL OF SERVICE

1. Non-residential increase – implement immediately or phase in over time?

- Non-residential SDCs have been low for the past years. Updated calculations reflect an increase:
 - Current: \$397/employee
 - New: \$755/employee
- Given the current economic climate, a phase-in is warranted.

Recommendation: Phase in over 2 years

- Year 1: \$576/employee
- Year 2: \$755/employee

2. How much of the cost of recreation/aquatic centers should we include the SDC calculation?

Considerations:

- Attachment 1a shows impacts of financing 10%, 25%, 30% 50% or 100% on SDC fees
- At 100% financing, multi-family housing SDCs would increase by 12%, and the largest single-family home category would see a 35% increase. Such increases, if considered, should be phased in over time, especially in light of the hardship to development as a result of the current pandemic.
- Estimated cost is \$60 million per center plus \$9.8 million for land acquisition for one center (land has been secured for the southwest center, but not a northwest center) for a total of \$129,800,000, which is over 25% of the total cost of the complete project list of \$502,448,288.
- The district has a business plan to complete a facility functional plan, which will better inform future needs for renovating existing and/or new facilities.
- We showed options to stakeholders of 30% or 100% financing these centers through SDCs. Feedback was we should investigate financing 10 and 25% of recreation/aquatic center cost.
- We should keep some of cost in calculation. We may need to acquire a site in the northwest quadrant. Revenue collected could also serve as leverage for potential bond or other financing (grants) mechanisms.

Recommendation: Include 30% of the cost (calculations throughout this material assume include 30% of the cost of recreation/aquatic centers).

AFFORDABLE HOUSING WAIVERS

Considerations:

- Metro has estimated that there is a 12,000-unit shortfall of affordable housing units for households earning less than 50% of the area median family income (MFI) in Washington County. Of course, not all of these units fall within the district's boundary.
- SDCs are both science and art
 - The formula is a science.
 - Project costs – While costs are based on recent district development costs, these aren't necessarily a prediction of the future, especially as the capital improvement list is a 20-year list.
 - Forecasts – This is also based on history; but, as with costs, the future is uncertain.

- Feedback from stakeholders has been that non-Metro bond housing will need more help (i.e., they will have to find additional financing sources) than Metro financed housing. Of course, in either scenario, waivers of SDCs is seen as leverage.
- As noted by Eric Anthony Johnson, Chief of Economic Development, Housing and Neighborhood Services for the City of Dallas, Texas in a recent webinar on "*Just Suburbs: Creating Equitable Opportunities in Suburban Development*," regulatory barriers need to be addressed first before cash incentives are discussed. Additionally, there needs to be a connection between income and employment equal access and the need for housing. The city and county have been addressing some regulatory barriers and the region has adopted a funding measure for wrap around services. The district's action can further efforts on availability of housing near quality education and employment centers of Washington County.
- How much time does the board want to spend deciding waivers versus providing certainty going forward? Scenario 5, developed based on the Wishcamper letter and conversations, will require the board to decide waivers for housing at 60% of medium family income (MFI) on a case-by-case basis. However, this option allows the board flexibility in considering how to prioritize limited funding to meet district and community goals.
- Feedback from stakeholders (particularly affordable housing providers) is we should do more, such as increase the cap on waivers.
- Bend approach: Waiving all SDCs for affordable housing with cap of 400 units through December 31,2022.
- SDCs anticipated from affordable housing in district (assumes SDC rate of \$8586)
 - 30% MFI \$2,043,468.00
 - 60% MFI \$3,503,088.00
 - **TOTAL** **\$5,546,556.00**

Questions:

1a Does the 100% waiver on housing at 30% of MFI apply to Metro bond housing only or all housing at this level?

Recommendation: Make this waiver applicable to all housing at or below the 30% MFI.

1b What should be waivers for 60% MFI?

- See scenarios (Attachment 1b)(Note – a small incentive was given for inclusion of public open space. In all likelihood, a development that includes public open space that meets district functional plan standards will receive SDC credits close to the amount of SDCs owed for the project).

Recommendation: Scenario 5 with cap on time (i.e., sunset) and amount

- **Feedback on considerations** – will include considerations in policy to be adopted by the board and will develop application form.

1c Should we have a sunset provision and, if so, what should it be?

Recommendation: Yes – the earlier of, board resolution rescinding the policy on waivers, adoption of an updated methodology or 5 years (we are required to update our methodology at least every 5 years).

1d Should there be cap on number or dollar value of waivers and, if so, what should the cap be?

- In addition to the considerations above, while not required to backfill any waivers, there are other funding sources available for improvements:

- Staff have revised the estimated grant revenue to reflect the recommended award of the LWCF grant for acquisition this year, as well as to include an Oregon Trails grant. The result is an estimation of \$2.89 million (Attachment 1c).
- Metro Local Share - \$8,628,870 district share (staff are proposing at least \$3 million in projects from the SDC list). City of Beaverton share of \$5,709,843 is still under consideration. Relying on a portion these funds to allow for affordable housing waivers will further the Metro bond goal of equity.
- Metro Bond – Trails \$92 million – the district is considering seeking funding for at least the Westside Trail Bridge (rough estimate of \$15 million total cost) and Westside Trail Segment 14 (from SW Walker Road to the bridge landing at SW Greenbrier). There may be other trails that will qualify under this funding.

Recommendation: A cap of \$3,500,000 in waivers for all affordable housing.

ADDITIONAL INFORMATION

1. Accessory Dwelling Units (ADUs)

- ADUs are another means of providing affordable housing. They provide additional housing available for rent, as well as a source of income to homeowners, allowing them to maintain their primary dwelling affordability.
- A county report issued in September 2019 found that the county had fewer than 60 ADUs in last 20 years. The City of Beaverton has not tracked ADU development.
- Portland began waiving SDCs on ADUs in 2010 to encourage development of housing stock and to meet the city’s goals on density. These waivers were tied to a requirement that neither the ADU nor the primary residence could be used for short term rentals.
- Staff has recommended changing the current approach (occupancy of 1.45 person per unit) to an occupancy of 1.09.

Occupancy	SDC Rate		Source/Notes
	With Rec	30% Rec	
1.45	\$7,651.65	\$6,194.40	Current approach (data from all cities, detached and attached ADUs combined)
1.48	\$7,809.96	\$6,322.56	American Housing Survey (AHS) Portland area 2015 - occupancy for MF DU's less than 750 SQ FT. (the 2013 survey found the mean size of an ADU to be 689 SQ FT)
1.39	\$7,335.03	\$5,938.08	AHS Portland 2015 - occupancy for 0-1 bedroom MF units (The 2013 survey found the average number of bedrooms = 0.98)
1.09	\$5,751.93	\$4,656.48	AHS Portland 2015 - average occupancy for 0 bedrooms MF - this was the approach Bend used, which was to use the lowest occupancy rate for any type of housing (which is 0 bedroom MF). Clackamas County also bases their ADU rate on MF occupancy.

2. Employment SDC Calculations

- The district's Administrative Procedures Guide Table 1 – *Square Feet Per Employees* is used to calculate SDC fees on non-residential development. This table is outdated (based on 1997 information) and complicated to implement (Attachment 1d).
- The district is seeking feedback from the Beaverton Area Chamber and partner jurisdictions on two more simplified alternatives, which are provided in Attachment 1d.

3. Overlay Areas

- The current SDC methodology has overlays for South Cooper Mountain, Bonny Slope West and North Bethany. These overlays were based on higher land values and need for half street improvements.
- The North Bethany overlay SDC was discounted by 3%, given uncertainty of land costs at the time of adoption of the methodology.
- A review of recent transactions shows that North Bethany is the only area where land prices are significantly higher than the district average.
- Half street improvements are required in some “existing” areas of the district, and the price difference, when looking at the entire project list, is not enough to warrant an overlay based on this factor alone.
- The new methodology will only include an overlay for North Bethany and the discount will be removed, as the land value reflects actual recent transactions.

Table 9

THPRD Parks SDC Analysis

Preliminary SDC Schedule: **Scenario RC 100%**

Development Type	Persons per Unit	SDC ¹	w/Comp. Charge ¹	Current	% Change
Residential (\$/dwelling unit)					
District-Wide					
Single-Family (Avg.)	2.68	\$14,141		\$11,895	19%
SQ FT Category					
<1,500 SQFT	2.12	\$11,186		\$11,895	-6%
1,500-2,500 SQFT	2.50	\$13,191		\$11,895	11%
2,501-3,500 SQFT	2.85	\$15,038		\$11,895	26%
>3,500 SQFT	3.05	\$16,093		\$11,895	35%
Multifamily (Avg.)	2.01	\$10,606		\$9,494	12%
North Bethany					
Single-Family (Avg.)	2.68	\$16,340		\$13,513	21%
SQ FT Category					
<1,500 SQFT	2.12	\$12,926		\$13,513	-4%
1,500-2,500 SQFT	2.50	\$15,242		\$13,513	13%
2,501-3,500 SQFT	2.85	\$17,376		\$13,513	29%
>3,500 SQFT	3.05	\$16,093		\$11,895	35%
Other Housing²					
Accessory Dwelling Units (\$/unit)	1.45	\$7,651		\$6,776	13%
Senior Housing (\$/unit)	1.50	\$7,915		\$7,010	13%
Nonresidential					
Cost per Employee		\$755		\$397	90%
	employees/ 1,000 SQ FT²	SDC/ 1,000 SQ FT			
District-Wide					
Traditional Office (commercial)	3.3	\$2,518			
Retail (commercial)	2.2	\$1,678			
Institutional (commercial)	2.0	\$1,511			
Flex/Business Park (industrial)	1.6	\$1,208			
General Industrial (industrial)	1.3	\$944			
Warehousing/Distribution (industrial)	0.8	\$604			

¹Does not include compliance charge, pending additional review²Preliminary pending additional review

Table 9

THPRD Parks SDC Analysis

Preliminary SDC Schedule: **Scenario RC 50%**

Development Type	Persons per Unit	SDC ¹	w/Comp. Charge ¹	Current	% Change
Residential (\$/dwelling unit)					
District-Wide					
Single-Family (Avg.)	2.68	\$12,217		\$11,895	3%
SQ FT Category					
<1,500 SQFT	2.12	\$9,665		\$11,895	-19%
1,500-2,500 SQFT	2.50	\$11,397		\$11,895	-4%
2,501-3,500 SQFT	2.85	\$12,992		\$11,895	9%
>3,500 SQFT	3.05	\$13,904		\$11,895	17%
Multifamily (Avg.)	2.01	\$9,163		\$9,494	-3%
North Bethany					
Single-Family (Avg.)	2.68	\$14,416		\$13,513	7%
SQ FT Category					
<1,500 SQFT	2.12	\$11,404		\$13,513	-16%
1,500-2,500 SQFT	2.50	\$13,448		\$13,513	0%
2,501-3,500 SQFT	2.85	\$15,331		\$13,513	13%
>3,500 SQFT	3.05	\$13,904		\$11,895	17%
Other Housing²					
Accessory Dwelling Units (\$/unit)	1.45	\$6,610		\$6,776	-2%
Senior Housing (\$/unit)	1.50	\$6,838		\$7,010	-2%
Nonresidential					
Cost per Employee		\$598		\$397	51%
	employees/ 1,000 SQ FT²	SDC/ 1,000 SQ FT			
District-Wide					
Traditional Office (commercial)	3.3	\$1,993			
Retail (commercial)	2.2	\$1,328			
Institutional (commercial)	2.0	\$1,196			
Flex/Business Park (industrial)	1.6	\$956			
General Industrial (industrial)	1.3	\$747			
Warehousing/Distribution (industrial)	0.8	\$478			

¹Does not include compliance charge, pending additional review²Preliminary pending additional review

Table 9

THPRD Parks SDC Analysis

Preliminary SDC Schedule: **Scenario RC 30%**

Development Type	Persons per Unit	SDC ¹	w/Comp. Charge ¹	Current	% Change
Residential (\$/dwelling unit)					
District-Wide					
Single-Family (Avg.)	2.68	\$11,448		\$11,895	-4%
SQ FT Category					
<1,500 SQFT	2.12	\$9,056		\$11,895	-24%
1,500-2,500 SQFT	2.50	\$10,679		\$11,895	-10%
2,501-3,500 SQFT	2.85	\$12,174		\$11,895	2%
>3,500 SQFT	3.05	\$13,029		\$11,895	10%
Multifamily (Avg.)	2.01	\$8,586		\$9,494	-10%
North Bethany					
Single-Family (Avg.)	2.68	\$13,647		\$13,513	1%
SQ FT Category					
<1,500 SQFT	2.12	\$10,795		\$13,513	-20%
1,500-2,500 SQFT	2.50	\$12,730		\$13,513	-6%
2,501-3,500 SQFT	2.85	\$14,513		\$13,513	7%
>3,500 SQFT	3.05	\$13,029		\$11,895	10%
Other Housing²					
Accessory Dwelling Units (\$/unit)	1.45	\$6,194		\$6,776	-9%
Senior Housing (\$/unit)	1.50	\$6,407		\$7,010	-9%
Nonresidential					
Cost per Employee		\$535		\$397	35%
	employees/ 1,000 SQ FT²	SDC/ 1,000 SQ FT			
District-Wide					
Traditional Office (commercial)	3.3	\$1,783			
Retail (commercial)	2.2	\$1,188			
Institutional (commercial)	2.0	\$1,070			
Flex/Business Park (industrial)	1.6	\$856			
General Industrial (industrial)	1.3	\$668			
Warehousing/Distribution (industrial)	0.8	\$428			

¹Does not include compliance charge, pending additional review²Preliminary pending additional review

Table 9

THPRD Parks SDC Analysis

Preliminary SDC Schedule: **Scenario RC 25%**

Development Type	Persons per Unit	SDC ¹	w/Comp. Charge ¹	Current	% Change
Residential (\$/dwelling unit)					
District-Wide					
Single-Family (Avg.)	2.68	\$11,256		\$11,895	-5%
SQ FT Category					
<1,500 SQFT	2.12	\$8,904		\$11,895	-25%
1,500-2,500 SQFT	2.50	\$10,500		\$11,895	-12%
2,501-3,500 SQFT	2.85	\$11,970		\$11,895	1%
>3,500 SQFT	3.05	\$12,810		\$11,895	8%
Multifamily (Avg.)	2.01	\$8,442		\$9,494	-11%
North Bethany					
Single-Family (Avg.)	2.68	\$13,455		\$13,513	0%
SQ FT Category					
<1,500 SQFT	2.12	\$10,643		\$13,513	-21%
1,500-2,500 SQFT	2.50	\$12,551		\$13,513	-7%
2,501-3,500 SQFT	2.85	\$14,308		\$13,513	6%
>3,500 SQFT	3.05	\$12,810		\$11,895	8%
Other Housing²					
Accessory Dwelling Units (\$/unit)	1.45	\$6,090		\$6,776	-10%
Senior Housing (\$/unit)	1.50	\$6,300		\$7,010	-10%
Nonresidential					
Cost per Employee		\$519		\$397	31%
	employees/ 1,000 SQ FT²	SDC/ 1,000 SQ FT			
District-Wide					
Traditional Office (commercial)	3.3	\$1,730			
Retail (commercial)	2.2	\$1,153			
Institutional (commercial)	2.0	\$1,038			
Flex/Business Park (industrial)	1.6	\$830			
General Industrial (industrial)	1.3	\$649			
Warehousing/Distribution (industrial)	0.8	\$415			

¹Does not include compliance charge, pending additional review²Preliminary pending additional review

Table 9

THPRD Parks SDC Analysis

Preliminary SDC Schedule: **Scenario RC 10%**

Development Type	Persons per Unit	SDC ¹	w/Comp. Charge ¹	Current	% Change
Residential (\$/dwelling unit)					
District-Wide					
Single-Family (Avg.)	2.68	\$10,679		\$11,895	-10%
SQ FT Category					
<1,500 SQFT	2.12	\$8,447		\$11,895	-29%
1,500-2,500 SQFT	2.50	\$9,961		\$11,895	-16%
2,501-3,500 SQFT	2.85	\$11,356		\$11,895	-5%
>3,500 SQFT	3.05	\$12,153		\$11,895	2%
Multifamily (Avg.)	2.01	\$8,009		\$9,494	-16%
North Bethany					
Single-Family (Avg.)	2.68	\$12,877		\$13,513	-5%
SQ FT Category					
<1,500 SQFT	2.12	\$10,187		\$13,513	-25%
1,500-2,500 SQFT	2.50	\$12,013		\$13,513	-11%
2,501-3,500 SQFT	2.85	\$13,694		\$13,513	1%
>3,500 SQFT	3.05	\$12,153		\$11,895	2%
Other Housing²					
Accessory Dwelling Units (\$/unit)	1.45	\$5,778		\$6,776	-15%
Senior Housing (\$/unit)	1.50	\$5,977		\$7,010	-15%
Nonresidential					
Cost per Employee		\$472		\$397	19%
	employees/ 1,000 SQ FT²	SDC/ 1,000 SQ FT			
District-Wide					
Traditional Office (commercial)	3.3	\$1,573			
Retail (commercial)	2.2	\$1,048			
Institutional (commercial)	2.0	\$944			
Flex/Business Park (industrial)	1.6	\$755			
General Industrial (industrial)	1.3	\$590			
Warehousing/Distribution (industrial)	0.8	\$377			

¹Does not include compliance charge, pending additional review²Preliminary pending additional review

Affordable Housing Waiver Scenarios (July 10, 2020)

	Metro Bond		Total Metro	Other	TOTAL
	City	County			
30% MFI	89	60	149	89	238
60% MFI	161	72	233	175	408
			382	264	646

Scenario 1 - Waivers to 30% MFI Housing Only

1a. Metro only	\$ 1,279,314.00
1b. All 30% MFI	\$ 2,043,468.00

Scenario 2 - Waivers to Metro Bond Housing Only

30% MFI (100% Waiver)	\$ 1,279,314.00
60%MFI (50% Waiver)	\$ 1,000,269.00
TOTAL WAIVERS	\$ 2,279,583.00

Scenario 3 -Waivers to all 30% MFI and Metro only 60% MFI at 50%

30% MFI	\$ 2,043,468.00
60% MFI Metro	\$ 1,000,269.00
TOTAL WAIVERS	\$ 3,043,737.00

Scenario 4 - Waivers to All Affordable Housing

30% MFI (100% Waiver)	\$ 2,043,468.00
60% MFI (50% Waiver)	\$ 1,751,544.00
TOTAL WAIVERS	\$ 3,795,012.00

Scenario 5 - 100% Waiver for all 30% MFI Housing; Board discretion on 60% MFI Housing

100% waiver to 30% MFI Housing	\$ 2,043,468.00
60% MFI Case-by-case basis up to limit of \$3.5 million for all waivers	
At least 1/2 units family sized (2+ bedrooms)	20%
At least 12% at 30% MFI	20%
60-year affordability restriction	20%
Public Open Space	10%
Board Discretion: May include demonstrated need, addressing racial equity, other services included in development, mix of income levels addressed. . . .	30%
	<u>100%</u>

Scenario 6 - 100% Waiver to all Affordable housing at or below 60% MFI

30% MFI (100% Waiver)	\$ 2,043,468.00
60% MFI (100% Waiver)	\$ 3,503,088.00
TOTAL WAIVERS	\$ 5,546,556.00

SDC Five-Year Grant Plan - Projection 2

Application Year	Revenue Year	Project	Grant Request	Probability	Expected Revenue	Grant Program
FY20	FY21	Acquisition	\$650,000	100%	\$650,000	LWCF
FY21	FY22	SW Lombard & Bruce	\$750,000	50%	\$375,000	LGGP
FY21	FY22	NW-Q8, SW-Q5, 155th Ave Trail	\$500,000	50%	\$250,000	LWCF
FY21	FY22	Bvtn Creek Trail	\$2,000,000	30%	\$600,000	Comm. Paths
FY22	FY23	NW-Q8, SW-Q6, SW-Q7	\$600,000	30%	\$180,000	TBD
FY22	FY23	NW-Q8, SW-Q6, SW-Q7	\$500,000	30%	\$150,000	TBD
FY23	FY24	NE-Q3, NW-Q5, SW-Q7	\$600,000	50%	\$300,000	TBD
FY23	FY24	Acquisition	\$500,000	15%	\$75,000	TBD
FY24	FY25	NW-Q7	\$500,000	50%	\$250,000	TBD
FY24	FY25	Acquisition	\$400,000	15%	\$60,000	TBD
Total			\$7,000,000		\$2,890,000	

TABLE 1: SQUARE FEET PER EMPLOYEE
(Recommended Guidelines from Metro Employment Density Study)

<u>Standard Industry Classification (SIC)</u>	<u>Square Feet Per Employee</u>	<u>Standard Industry Classification (SIC)</u>	<u>Square Feet Per Employee</u>
Manufacturing:		Trucking	1,500
General	700	Communications	250
Food Related	775	Utilities	225
Textile, Apparel	575		
Lumber, Wood Products	560	Retail:	
Paper and Related	1,400	General	700
Printing and Publishing	600	Hardware	1,000
Chemicals, Petrol,		Food Stores	675
Rubber, Plastics	850	Restaurant/Bar	225
Cement, Stone, Clay, Glass	800	Appliance/Furniture	1,000
Furniture and Furnishings	600	Auto Dealership	650
Primary Metals	1,000	Gas Station (gas only)	300
Secondary Metals	800	Gas Station (gas and service)	400
Non-Electrical Machinery	600	Regional Shopping Center	600
Electrical Machinery	375		
Electrical Design	325	Services:	
Transportation Equipment	500	Hotel/Motel	1,500
Other	400	Health Services (hospital)	500
Wholesale Trade;		Health Services (clinic)	350
Durable Goods	1,000	Educational (church)	1,300
Non-Durable Goods	1,150	Cinema	1,100
		Personal Services (office)	600
		Finance, Insurance, Real Estate,	
		Business Services (office)	350
Warehousing -			
Storage	20,000	Government Administration	300
Distribution	2,500		

Proposed alternatives for employment calculations

Option 1: Building Typology					
Table					
THPRD Parks SDC Analysis					
Sample Nonresidential SDC per 1,000 sq. ft. ¹					
Category	\$/ Person	SQ FT/ Employee	SDC/ 1,000 sq. ft.		Revised SDC
			Employees/ 1,000 sq. ft. ¹	Current	
Cost per Employee	\$755	2014		\$397	\$755
Typology/Land Class					
Traditional Office (commercial)		300	3.33		\$2,518
Retail (commercial)		450	2.22		\$1,678
Institutional (commercial)		500	2.00		\$1,511
Flex/Business Park (industrial)		625	1.60		\$1,208
General Industrial (industrial)		800	1.25		\$944
Warehousing/Distribution (industrial)		1,250	0.80		\$604
<i>Beaverton Economic Opportunities Analysis (2015)</i>					
¹ Metro Urban Growth Report Appendix 6 (Rev. 10/2015) based on inner ring densities (e.g., Beaverton)					

Option 3: ITE Code (Sample of available categories)						
Land Use/ Size	ITE Code	Demand Unit	ADT TGSF/Unit	ADT Emp	Emp per Demand Unit	Sq Ft per Emp
Light Industrial	110	1,000 Sq Ft	4.96	3.05	1.63	615
Industrial Park	130	1,000 Sq Ft	3.37	2.91	1.16	864
Manufacturing	140	1,000 Sq Ft	3.93	2.47	1.59	628
Warehousing	150	1,000 Sq Ft	1.74	5.05	0.34	2,902
Assisted living	254	bed	2.6	4.24	0.61	na
Motel	320	room	3.35	25.17	0.13	na
Elementary School	520	1,000 Sq Ft	19.52	21	0.93	1,076
High School	530	1,000 Sq Ft	14.07	22.25	0.63	1,581
Community College	540	student	1.15	14.61	0.08	na
University/College	550	student	1.56	8.89	0.18	na
Daycare	565	student	4.09	21.38	0.19	na
Hospital	610	1,000 Sq Ft	10.72	3.79	2.83	354
General Office (avg size)	710	1,000 Sq Ft	9.74	3.28	2.97	337
Research & Dev Center	760	1,000 Sq Ft	11.26	3.29	3.42	292
Business Park	770	1,000 Sq Ft	12.44	4.04	3.08	325
Shopping Center (avg size)	820	1,000 Sq Ft	37.75	16.11	2.34	427
* Trip Generation, Institute of Transportation Engineers, 10th Edition (2017)						

Attachment 2

From: [Peter Swinton](#)
To: [Jeannine Rustad](#)
Cc: [Deb Galardi](#)
Subject: Pre-Meeting Materials: June 23rd Level-of-Service Findings and Potential Unit Costs Stakeholder Discussion
Date: Wednesday, June 17, 2020 7:58:28 PM
Attachments: [THPRD SDC LOS and Unit Costs Memo_06.17.2020.pdf](#)
[SDC Stakeholder Meeting Participation Instructions LOS.pdf](#)

Dear Stakeholders,

For the June 23rd virtual discussion of THPRD's residential System Development Charge (SDCs) level-of-service (LOS) analysis and potential unit cost findings, we would like to provide you with the attached memo detailing our research. As you review this memo and begin to develop feedback for next Tuesday's meeting, we ask that you keep the following questions in mind:

- We will be looking at different ways to fund recreations centers but will need to leverage SDCs as part of any other funding. We are recommending 30% of the cost be included in the calculation. Thoughts and comments on this approach?
- What concerns do you have with the proposed unit costs and/or cost basis?
- Please keep in mind that, as stated in the memo, the unit costs do not include our costs of compliance.

As a reminder, we will use the [MS Teams platform](#) to present and discuss our findings with you on June 23rd. To fully participate, you will either need to have MS Teams installed on your computer or phone (computer is recommended) or you can call in (971-213-4330, Conference ID: 594 801 898#). Please note that if you call in and are not concurrently using MS Teams to attend the meeting via another device, you will not be able to see the presentation. You can download MS Teams [here](#) and instructions for how to join an MS Teams meeting can be found [here](#). Additionally, I will be available to you Thursday afternoon (2:30-5pm) and all-day Friday (8am-5pm) to test and/or troubleshoot MS Teams. If you would like to try connecting to a MS Teams meeting prior to June 23rd, please reach out to me and we can schedule a brief test during one of the time frames above.

Additionally, instructions for how to comment during the meeting are attached. For familiarity's sake, this is the same protocol used in the last meeting.

We look forward discussing our LOS findings and potential unit costs with you on June 23rd. Meeting details are available below:

Date: June 23rd from 1pm-3pm

Venue: Virtual Meeting via MS Teams

Stakeholder Discussion Agenda:

- 1:00 PM - Introductions

1:05 PM - SDC Review Goals and Timeline

- 1:15 PM - SDC LOS Findings and Potential Unit Costs
- 1:45 PM - Q & A/ Group discussion
- 2:45 PM - Recap Discussion and Next Steps
- 3:00 PM - Meeting Adjourned

Note: Audio, video, and chat communications during this meeting will be recorded as public record.

Sincerely,

Special Note: THPRD facilities are on a district-wide closure to support the health and safety of community members and staff. I am currently working remotely and will respond to you as soon as possible.

Peter Swinton

Planner II

Tualatin Hills Park & Recreation District
15707 SW Walker Road
Beaverton, OR 97006
Direct: 503-619-3981

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PREPARED FOR: Jeannine Rustad, Tualatin Hills Park and Recreation District
PREPARED BY: Deb Galardi, Galardi Rothstein Group
SUBJECT: Preliminary Parks Level of Service and Unit Costs
DATE: June 17, 2020

Introduction

The Tualatin Hills Park and Recreation District (District or THPRD) last updated its System Development Charges (SDCs) in 2015/6. The District is now reviewing the SDC methodology in the context of current policy objectives of achieving greater equity, while maintaining high quality park and recreation services. The methodology review is being conducted in two phases. The first phase focused on exploring key policy issues (residential tiering, level of service and affordable housing); the second phase (the current phase) includes development of the revised SDC project list and methodology options designed to address the policy issues identified in phase one.

This memorandum addresses one of the key methodological issues to be addressed in the SDC update: the evaluation of parks levels of service (LOS) based on the District's existing inventory and preliminary SDC Project List. Specifically, the existing and planned future LOS for the SDC planning period (through 2040), and the implications for the calculation of the SDC cost basis are presented. Finally, based on the updated LOS analysis and project list, two scenarios of preliminary SDC unit costs¹ are presented:

- Scenario 1: Full funding of planned recreation centers, and
- Scenario 2: Partial (30 percent) funding of planned recreation centers

Planned Level of Service

The District – through adoption of the SDC capital project list -- is planning for the development of the parks system consistent with the community's desired LOS. The planned LOS for a particular park or facility type is defined by the equation below:

$$\frac{\text{Existing } Q + \text{Planned } Q}{\text{Future Population Served}} = \text{Planned LOS}$$

¹ The calculations contained in this memorandum were produced by computer spreadsheets where numbers extend beyond the decimal places shown in the tables presented, so slight variations exist due to rounding; however, these variations are not material.

Where:

- Q = quantity (acres of parks, miles of trails, or area or number of facilities), and
- Future Population Served = projected 2040 “equivalent population”

Population and Equivalent Population

Park capacity is measured in terms of people served – resident population and nonresident employees. Table 1 provides population and employment data derived from United States census and other sources. In addition to District-wide projections, population estimates are also provided for the North Bethany area to support development of overlay SDCs (discussed later in this memorandum).

Table 1
THPRD SDC Analysis
Population and Employment Data

Item	Current 2020	Future 2040	Growth
Total District			
Population ¹	261,837	334,531	72,694
Employment ²	116,708	149,110	32,402
North Bethany Area Population ³	4,670	10,721	6,051

¹ Current estimated from American Community Survey for THPRD boundary. Projections based on WA County growth from Portland State University.

² Current estimated from On the Map tool (US Census) for THPRD boundary. Projections based on population WA County growth from Portland State University.

³ Current permitted population - estimated based on historical SDC revenue collected in benefit areas. Future population based on November 2015 THPRD SDC Study.

The concept of *equivalent population* is used to recognize different utilization levels of parks by the general population (to estimate residential development needs) and employees (to estimate nonresidential development needs). Consistent with the current methodology, employees are assumed to have an equivalency factor significantly less than residents (0.2 as shown in Table 2), owing to the limited number of hours available outside of work for park use. These assumptions are consistent with national survey data related to nonresidential use of parks, which generally establish nonresidential equivalency factors between 0.2 and 0.5 per employee².

Table 2
THPRD SDC Analysis
Equivalent Population

	Growth ¹ (2020-2040)	Equivalency Factors	Residential Equivalents ²	% Total
Population	72,694	1.00	72,694	91.1%
Employment ²	32,402	0.22	7,110	8.9%
Total			79,804	100%

¹ See Table 1

² See Appendix A for detailed assumptions on employment equivalency factors.

² See Appendix A for more information on employee equivalency factor calculations.

Current and Future LOS

The following park and facility classifications are included in the SDC analysis:

- Neighborhood Parks
- Pocket Parks
- Community Parks
- Natural Areas
- Sports Facilities
- Trails
- Recreation Centers

Table 3 summarizes existing park quantities for each classification for purposes of determining the existing LOS. The LOS for parks is based on acreage, while sports facilities, recreation trails and recreation centers are based on number, miles and square feet (SQ FT), respectively. The 20-year SDC Project List (Appendix B) includes development of both existing undeveloped land and new planned acquisitions. The difference between total future units and total existing units in Table 3, are the new units to be acquired. The detailed acquisition and development quantities are shown on the District’s planned 20-year project list included in Appendix B.

Table 3
 THPRD SDC Analysis
Summary of Existing and Planned Parks and Facilities¹

Type	Unit Type	Total	Developed Units		Total
		Existing Units	Existing Units	Planned Units ¹	Future Units
Parks					
Neighborhood	Acres	442.0	379.6	100.3	479.8
Pocket Parks	Acres	3.8	3.8	1.0	4.8
Community	Acres	276.0	216.6	81.5	298.1
Natural Area	Acres	1,255	1,255	120	1,375
Sports Facilities	Number	29.1	29.1	30.7	59.8
Recreation Trails	Miles	246.0	246.0	29.0	275
Recreation Centers ²	SQ FT	467,197	407,197	120,000	527,197

¹ Based on Preliminary 20-Year SDC Project List

² Includes indoor recreation centers, pools, and indoor/outdoor sports facilities (e.g., tennis air structures).

Table 4 (next page) shows the existing and future LOS by park type based on the park quantities shown in Table 3 and the equivalent population shown in Table 2. The SDC Project List identifies planned projects designed to maintain (in the case of neighborhood & pocket parks) or enhance (in the case of community parks, recreation trails and recreation centers) the future developed LOS for all park users. The future LOS for natural area parks and sports facilities decline slightly over the planning period.

Table 4

THPRD SDC Analysis

Existing and Future Developed and Total LOS by Park Type¹

Type	Unit Type	Developed LOS (Units per 1,000 Equivalent Population)		Total LOS (Units per 1,000 Equivalent Population)	
		Existing	Future	Existing	Future
Parks					
Neighborhood	Acres	1.32	1.31	1.54	1.31
Pocket Parks	Acres	0.01	0.01	0.01	0.01
Community	Acres	0.75	0.81	0.96	0.81
Natural Area	Acres	4.37	3.74	4.37	3.74
Sports Facilities	Number	0.86	0.75	0.86	0.75
Recreation Trails	Miles	0.10	0.16	0.10	0.16
Recreation Centers	SQ FT	1,417	1,436	1,625	1,436

¹ Existing park quantities (Table 3) divided by equivalent population from Table 2.

Implications for SDC Cost Basis

The LOS analysis provides a basis for determining the capacity needs of growth by park type to determine an equitable share of project list costs (for purposes of development the SDC unit costs). **Table 5** provides a summary of the capacity analysis for land and facility development. It begins with determination of developed park and facility units needed for growth based on the planned LOS by park type (Table 4) and the growth in equivalent population (Table 2). Then, the source of the units – existing system inventory and planned improvements from the project list – is identified for each park classification.

For purposes of the capacity analysis, existing development needs are assumed to be met first from the existing inventory of parks and facilities; any additional need resulting from a planned increase in the LOS is met through a portion of the project list improvements.

In cases where the future LOS is *lower* than the current LOS, a portion of growth's capacity needs will be met from existing developed park acreage. This is primarily the case for natural area parks and sports facilities. In cases where the future LOS is *higher* than the existing LOS, there is no available capacity and a portion of the project list units are needed to meet the needs of existing development. This is the case for community parks, trails and recreation centers.

As shown in Table 4, the existing LOS for total land and facilities is higher than the current LOS for all park and facility types, with the exception of trails; therefore, land acquisition is needed entirely for future growth for all categories except trails.

Table 5

THPRD SDC Analysis

Capacity Needs – Developed Acreage, Trails and Recreation Facilities

Type	Unit Type	Total Units Needed ¹	Units from Existing Inventory ²	Units from Project List ³	Project List Allocation (%) ⁴
Parks		Future Growth Units			
Neighborhood	Acres	104.3	4.0	100.3	100.0%
Pocket Parks	Acres	1.1	0.1	1.0	100.0%
Community	Acres	64.8	0.0	64.8	79.5%
Natural Area	Acres	298.8	178.8	120.0	100.0%
Recreation Trails	Miles	13.0	0.0	13.0	42.4%
Sports Facilities	Number	59.8	30.8	29.0	100.0%
Recreation Centers	SQ FT	114,561	0.0	114,561	95.5%
Parks		Existing Development Units			
Neighborhood	Acres	375.6	375.6	0.0	0.0%
Pocket Parks	Acres	3.8	3.8	0.0	0.0%
Community	Acres	233.3	216.6	16.7	20.5%
Natural Area	Acres	1,076.2	1,076.2	0.0	0.0%
Recreation Trails	Miles	46.8	29.1	17.7	57.6%
Sports Facilities	Number	215	215.2	0.0	0.0%
Recreation Centers	SQ FT	412,636	407,197	5,439	4.5%
Parks		Total Units			
Neighborhood	Acres	479.8	379.6	100.3	100.0%
Pocket Parks	Acres	4.8	3.8	1.0	100.0%
Community	Acres	298.1	216.6	81.5	100.0%
Natural Area	Acres	1,375.0	1,255.0	120.0	100.0%
Recreation Trails	Miles	59.8	29.1	30.7	100.0%
Sports Facilities	Number	275.0	246.0	29.0	100.0%
Recreation Centers	SQ FT	527,197	407,197	120,000	100.0%

¹ Future LOS (Table 4) x Equivalent Population/1,000 (Table 2)² Existing inventory (from Table 3) first meets needs of existing development; any excess capacity available to meet growth needs³ Total need, less units from existing inventory⁴ Equal to number of units needed from project list divided by total project list additional units (Table 3)

SDC Cost Basis

The project list allocation percentages shown in Table 5 are applied to planned improvements on the project list in order to determine the costs to be recovered from growth through the updated SDCs over the planning period. **Table 6** shows the development of the SDC cost basis for new park and facilities costs by park and facility type from the project list. The SDC share by park type is based on the LOS analysis presented in Table 5.

Table 6
THPRD Parks SDC Analysis
Preliminary SDC Cost Basis

Project Types	Acquisition ¹		Development ¹		Total
	\$	Growth % ²	\$	Growth% ³	Growth \$
District-Wide					
Neighborhood Parks	\$27,513,000	100%	\$109,958,879	100%	\$137,471,879
Pocket Parks	\$1,500,000	100%	\$4,732,404	100%	\$6,232,404
Community Parks	\$15,463,000	100%	\$57,941,718	79%	\$61,521,241
Natural Areas	\$1,800,000	100%	\$119,000	100%	\$1,919,000
Sports Facilities	\$0	n/a	\$23,600,000	100%	\$23,600,000
Trails	\$1,979,700	42%	\$122,058,587	42%	\$52,535,926
Recreation Centers	\$9,800,000	100%	\$120,000,000	95%	\$124,360,560
Subtotal	\$58,055,700		\$438,410,588		\$407,641,010
North Bethany Supplemental Costs					
Neighborhood Parks	\$855,000	100%		100%	\$855,000
Community Parks	\$2,127,000	100%	\$3,000,000	79%	\$4,511,719
Subtotal	\$2,982,000		\$3,000,000		\$5,366,719
Total	\$61,037,700		\$441,410,588		\$413,007,729

¹ 20-Year SDC Project List (Appendix B)

² Based on information from Table 4

³ From Table 5

Consistent with the District's current methodology, supplemental land and development costs in North Bethany are recovered specifically from new development within the North Bethany area, so are shown separately in Table 6.

Preliminary Unit Costs

The preliminary unit costs for Scenario 1 (full recreation center funding) are shown in **Table 7** (next page). District-wide growth costs from Table 6 for all park and facility types except neighborhood parks, are allocated between residential and nonresidential development based on each group's share of future equivalent population from Table 2. The growth in population and employees (from Table 1) are then divided into the residential and nonresidential share of growth costs, respectively to determine the cost per unit.

Table 7

THPRD Parks SDC Analysis

Draft SDC Unit Cost Calculation: Scenario 1

	Growth \$	Growth Units	\$/Unit
District-Wide			
Residential	\$383,570,222	72,694	\$5,277
Nonresidential	\$24,472,761	32,402	\$755
Subtotal	\$408,042,983		
North Bethany Area Overlay	\$4,964,746	6,051	\$820
Total	\$413,007,729		

Table 7 also shows the unit costs for the North Bethany benefit area which are assessed in addition to the District-wide costs, on residential development only. The District currently also has overlays for South Cooper Mountain and Bonny Slope West benefit areas. However, based on current land costs and area-specific LOS analyses, it is recommended that these overlays be discontinued.

Table 8 shows the unit costs based on Scenario 2 (30 percent funding of recreation centers).

Table 8

THPRD Parks SDC Analysis

Draft SDC Unit Cost Calculation: Scenario 2

	Growth \$	Growth Units	\$/Unit
District-Wide			
Residential	\$310,522,592	72,694	\$4,272
Nonresidential	\$17,327,999	32,402	\$535
Total	\$327,850,591		
Benefit Areas			
North Bethany	\$4,964,746	6,051	\$820
Total	\$332,815,337		

Preliminary SDCs

SDCs are assessed to different development types based on average dwelling occupancy data, and employee densities (employees per thousand square feet of building area). Census data were used to establish average occupancy data for residential dwelling types and sizes³. The SDC for each development type is determined by multiplying the net cost per unit (from either Table 7 or 8), by the number of people per unit for each development type. The updated SDCs are compared to current SDCs; however, the preliminary SDCs presented in **Tables 9** (Scenario 1) and **Table 10** (Scenario 2) on the following pages are net of a compliance or other administrative charge which will be determined for the final SDC analysis.

³ See Technical Memorandum: Residential SDC Scaling Options and System Development Charge Methodology: Residential Tiering Memo (May 20, 2020) for detailed calculations and assumptions.

Table 9

THPRD Parks SDC Analysis

Preliminary SDC Schedule: Scenario 1

Development Type	Persons per Unit	SDC¹	Current
Residential (\$/dwelling unit)			
District-Wide			
<i>Single-Family (Avg.)</i>	2.68	\$14,141	\$11,895
SQ FT Category			
<1,500 SQFT	2.12	\$11,186	\$11,895
1,500-2,500 SQFT	2.50	\$13,191	\$11,895
2,501-3,500 SQFT	2.85	\$15,038	\$11,895
>3,500 SQFT	3.05	\$16,093	\$11,895
Multifamily (Avg.)	2.01	\$10,606	\$9,494
North Bethany			
<i>Single-Family (Avg.)</i>	2.68	\$16,340	\$13,513
SQ FT Category			
<1,500 SQFT	2.12	\$12,926	\$13,513
1,500-2,500 SQFT	2.50	\$15,242	\$13,513
2,501-3,500 SQFT	2.85	\$17,376	\$13,513
Other Housing²			
<i>Accessory Dwelling Units (\$/unit)</i>	1.45	\$7,651	\$6,776
<i>Senior Housing (\$/unit)</i>	1.50	\$7,915	\$7,010
Cost per Employee		\$755	\$397

¹Does not include compliance charge, pending additional review²Preliminary pending additional review

Table 10

THPRD Parks SDC Analysis

Preliminary SDC Schedule: Scenario 2

Development Type	Persons per Unit	SDC¹	Current	% Change
Residential (\$/dwelling unit)				
District-Wide				
<i>Single-Family (Avg.)</i>	2.68	\$11,448	\$11,895	-4%
SQ FT Category				
<1,500 SQFT	2.12	\$9,056	\$11,895	-24%
1,500-2,500 SQFT	2.50	\$10,679	\$11,895	-10%
2,501-3,500 SQFT	2.85	\$12,174	\$11,895	2%
>3,500 SQFT	3.05	\$13,029	\$11,895	10%
<i>Multifamily (Avg.)</i>	2.01	\$8,586	\$9,494	-10%
North Bethany				
<i>Single-Family (Avg.)</i>	2.68	\$13,647	\$13,513	1%
SQ FT Category				
<1,500 SQFT	2.12	\$10,795	\$13,513	-20%
1,500-2,500 SQFT	2.50	\$12,730	\$13,513	-6%
2,501-3,500 SQFT	2.85	\$14,513	\$13,513	7%
Other Housing²				
<i>Accessory Dwelling Units (\$/unit)</i>	1.45	\$6,194	\$6,776	-9%
<i>Senior Housing (\$/unit)</i>	1.50	\$6,407	\$7,010	-9%
Cost per Employee		\$535	\$397	35%

¹Does not include compliance charge, pending additional review²Preliminary pending additional review

As shown in Tables 9 and 10, the most significant increases in SDCs, based on the preliminary calculations is for employees. The current SDC methodology assumed approximately 9 percent of park costs are allocated to nonresidential an increase from 4.3 percent under the current methodology. The updated nonresidential share of costs is based on the analysis summarized in Appendix A, and the updated employment projections presented in Table 1. Additional information on nonresidential and other housing SDC assessment will be provided with the final recommendations.

Appendix A – Residential Equivalency

Introduction

Nonresidential development creates demand for parks through employees (living inside or outside the District) that use parks in conjunction with commuting, lunch or other breaks during the workday, company picnics, or other activities, and through overnight visitors that come to the area to recreate or otherwise participate in park-related activities in conjunction with their visit.

While the notion of a nexus between nonresidential development and park system capacity needs is broadly accepted, specific assumptions of how much park usage may be attributable to nonresidential development relative to residential development vary across jurisdictions, and often reflect local policy considerations. The impact on parks from employees and visitors relative to residents is referred to as the “residential equivalency.”

Hours of Opportunity Model

The District’s existing SDC methodology determines the residential equivalency for employees based on an “hours of opportunity” model. This approach establishes estimated park usage based on the number of hours different types of users have available during the day to visit parks. It assumes that employees – both resident and nonresident – have opportunities to use parks during the weekdays for a limited time (generally right before or after work, and during breaks). In comparison, residents are assumed to have potential use of parks during non-work or school hours (for employed adults or school age children), or throughout the day (in the case of residents who are unemployed or otherwise not in the work force). Nonresident employees are generally assumed to have the lowest potential park use opportunity due to the need to travel from outside the service area.

Table A-1 provides the detailed assumptions related to hours of park use available to resident and nonresident groups. The assumptions shown in the table are identical to those used by many other agencies in Oregon, including the cities of Portland and Woodburn, and North Clackamas Parks and Recreation District.

The calculated residential equivalency factors from an hours of opportunity approach vary based on the demographics of the specific service area, and whether the nonresidential development impact is assumed to include park usage from both workers living inside the service district and outside (as in the case of Portland and Woodburn), or just outside the area (as in the case of Tigard and the District’s current SDC methodology).

Table A-1
 THPRD SDC Analysis
 Weighted Average Park Availability Hours by Class

Season/Period	Residents				
	Not-Employed Adult	Kids (5-17)	Employed Inside	Employed Outside	Non-Resident Employee
Summer (Jun-Sep)					
Weekday					
Before Work			1		1
Breaks			1		1
After Work			2		2
Other Leisure	12	12	2	2	0
Subtotal	12	12	6	2	4
Weekend					
Leisure	12	12	12	12	0
Subtotal	12	12	12	12	0
Hours/Day	12.00	12.00	7.71	4.86	2.86
Spring/Fall (Apr/May, Oct/Nov)					
Weekday					
Before Work			0.5		0.5
Breaks			1		1
After Work			1		1
Other Leisure	10	4	2	2	0
Subtotal	10	4	4.5	2	2.5
Weekend					
Leisure	10	10	10	10	0
Subtotal	10	10	10	10	0
Hours/Day	10.00	5.71	6.07	4.29	1.79
Winter (Dec-Mar)					
Weekday					
Before Work			0.5		0.5
Breaks			1		1
After Work			0.5		0.5
Other Leisure	8	2	1	1	0
Subtotal	8	2	3	1	2
Weekend					
Leisure	8	8	8	8	0
Subtotal	8	8	8	8	0
Hours/Day	8.00	3.71	4.43	3.00	1.43
Annual Average					
Weighted Hours	10.00	7.14	6.07	4.05	2.02

Application of Hours of Opportunity Model to THPRD Demographic Data

Tables A-2 provides the demographic data used to determine the seasonally-weighted average number of hours available for park use per person per day for residents (6.50) and nonresident employees (2.02).

Table A-2
 THPRD SDC Analysis
Estimation of Potential Park Use

Category	Persons¹	Avg. Hours Per person/day²	Person Hours/Day
Residents			
Kids (5-17)	43,553	7.14	310,987
Non-Employed Adults	60,925	10.00	609,189
Employed Adults			
Work in City	31,743	6.07	192,680
Work out of City	92,503	4.05	374,379
Subtotal	228,724	6.50³	1,487,236
Nonresidents			
Employed Adults	75,926	2.02	153,628

¹U.S. Census 2017 On the Map Inflow Outflow analysis for THPRD boundary.

²From Table A-1

³Weighted average calculated by dividing the total resident person hours/day by the total residents

Tables A-3 shows the calculation of the residential equivalency per employee based on the assumptions in Table A-1 and A-2, and the portion of employees that work in the area but live outside (71 percent). The residential equivalency of 0.219 is the product of the nonresident employee usage factor (0.31) and the outside area employee factor (0.71).

Table A-3
 THPRD SDC Analysis
Residential Equivalency per Employee

Category	Value	Factor
Average Hours/person/day		
Resident weighted average	6.50	
Nonresident employee	2.02	0.31
Employees working in THPRD Area ¹		
Living inside area	31,743	
Living outside area	75,926	0.71
Total	107,669	
Residential Equivalency per Employee (0.31 X 0.71) =		0.219

¹U.S. Census 2017 On the Map Inflow Outflow analysis

The hours of opportunity approach is the most common approach used currently in Oregon, in part because of limited data required (i.e., information on population and employment that is readily available from the United States Census Bureau). Limiting the assumed nonresidential impact to outside-District employees reduces the overall nonresidential equivalency and eliminates the perception that inside District employees are being double-charged as both residents and employees.

As shown in Table A-3, application of this model to the District's population and employment results in an equivalency of 0.219, which is on the lower range of typical equivalencies overall across the country (0.1-0.5), but well within the typical range of agencies in Oregon.

Appendix B – SDC Project List

Table B-1

THPRD SDC Analysis
SDC Project List

Project	Overlay Area of Benefit	Timing	Develop Units	Acquis. Units	Acquis. Units	Total Project		
						Cost	Land Acquis. \$	Develop \$
Develop neighborhood park (SEQ-1)	District Wide	0-5 Years	8.65		Acres	\$9,646,982	\$0	\$9,646,982
Develop Neighborhood Park (SWQ-4)	District Wide	5-10 Years	6.24		Acres	\$5,013,700	\$0	\$5,013,700
Develop Neighborhood Park (SWQ-5)	District Wide	0-5 Years	2.02		Acres	\$3,181,000	\$0	\$3,181,000
Develop Neighborhood Park (NWQ-4)	District Wide	0-5 Years	2.52		Acres	\$1,000,000	\$0	\$1,000,000
Develop Neighborhood Park (NEQ-2)	District Wide	10-15 Years	7.40		Acres	\$8,252,909	\$0	\$8,252,909
Develop Neighborhood Park (NEQ-3)	District Wide	0-5 Years	1.91		Acres	\$2,811,400	\$0	\$2,811,400
Develop Neighborhood Park (NEQ-4)	District Wide	10-15 Years	6.85		Acres	\$7,639,517	\$0	\$7,639,517
Acquire and Develop Neighborhood Park	Bonny Slope West	5-10 Years	1.50	1.50	Acres	\$3,247,887	\$1,275,000	\$1,972,887
Develop Neighborhood Park (NWQ-5)	North Bethany	0-5 Years	1.73		Acres	\$1,459,000	\$0	\$1,459,000
Develop Neighborhood Park (NWQ-8)	North Bethany	0-5 Years	3.36		Acres	\$2,741,874	\$0	\$2,741,874
Develop Neighborhood Park (NWQ-6)	North Bethany	0-5 Years	1.50		Acres	\$2,741,874	\$0	\$2,741,874
Develop Neighborhood Park (NWQ-7)	North Bethany	0-5 Years	2.00		Acres	\$3,833,562	\$0	\$3,833,562
Develop Neighborhood Park (NWQ-2)	North Bethany	5-10 Years	5.59		Acres	\$7,677,200	\$0	\$7,677,200
Develop Park Blocks	North Bethany	5-10 Years	1.50		Acres	\$1,370,937	\$0	\$1,370,937
Acquire and Develop Neighborhood Park (NWQ-11)	North Bethany	0-5 Years	2.85	2.85	Acres	\$5,080,516	\$2,850,000	\$2,230,516
Acquire and Develop Neighborhood Park (SWQ-7)	SCM Area	0-5 Years	11.15		Acres	\$5,305,300	\$0	\$5,305,300
Acquire and Develop Neighborhood Park (SWQ-6)	SCM Area	0-5 Years	2.63	2.63	Acres	\$4,720,000	\$1,841,000	\$2,879,000
Acquire and Develop Neighborhood Park (SWQ-8)	SCM Area	0-5 Years	2.86	2.86	Acres	\$5,191,638	\$2,002,000	\$3,189,638
Acquire and Develop Neighborhood Park (SWQ-9)	SCM Area	0-5 Years	2.00	2.00	Acres	\$4,279,000	\$1,400,000	\$2,879,000
Acquire and Develop Neighborhood Park	Cooper Mtn Area	5-10 Years	2.00	2.00	Acres	\$3,630,516	\$1,400,000	\$2,230,516
Acquire and Develop Neighborhood Park	Cooper Mtn Area	10-15 Years	2.00	2.00	Acres	\$3,630,516	\$1,400,000	\$2,230,516
Acquire and Develop Neighborhood Park	Cooper Mtn Area	10-15 Years	2.00	2.00	Acres	\$3,630,516	\$1,400,000	\$2,230,516
Acquire and Develop Neighborhood Park	Cooper Mtn Area	10-15 Years	2.00	2.00	Acres	\$3,630,516	\$1,400,000	\$2,230,516
Acquire and Develop Large Urban Park	District Wide	10-15 Years	1.00	1.00	Acres	\$7,751,133	\$1,500,000	\$6,251,133
Acquire and Develop Small Urban Park	District Wide	0-5 Years	0.25	0.25	Acres	\$1,178,419	\$375,000	\$803,419
Acquire and Develop Small Urban Park Park	District Wide	5-10 Years	0.25	0.25	Acres	\$1,178,419	\$375,000	\$803,419
Acquire and Develop Small Urban Park	District Wide	0-5 Years	0.25	0.25	Acres	\$1,937,783	\$375,000	\$1,562,783
Acquire and Develop Small Urban Park	District Wide	5-10 Years	0.25	0.25	Acres	\$1,937,783	\$375,000	\$1,562,783
Acquire and Develop Neighborhood Park	District Wide	10-15 Years	1.00	1.00	Acres	\$1,815,258	\$700,000	\$1,115,258
Acquire and Develop Neighborhood Park	District Wide	15-20 Years	1.00	1.00	Acres	\$1,815,258	\$700,000	\$1,115,258
Acquire and Develop Neighborhood Park	District Wide	15-20 Years	1.00	1.00	Acres	\$1,815,258	\$700,000	\$1,115,258
Acquire and Develop Neighborhood Park	District Wide	15-20 Years	3.50	3.50	Acres	\$6,353,403	\$2,450,000	\$3,903,403
Acquire and Develop Neighborhood Park	District Wide	15-20 Years	3.50	3.50	Acres	\$6,353,403	\$2,450,000	\$3,903,403
Acquire and Develop Neighborhood Park	District Wide	15-20 Years	3.50	3.50	Acres	\$6,353,403	\$2,450,000	\$3,903,403
Acquire and Develop Neighborhood Park	District Wide	15-20 Years	3.50	3.50	Acres	\$6,353,403	\$2,450,000	\$3,903,403

Table B-1
 THPRD SDC Analysis
 SDC Project List

Project	Overlay Area of Benefit	Timing	Develop Units	Acquis. Units	Units	Total Project Cost	Land Acquis. \$	Develop \$
Develop Community Park (SW-1)	District Wide	10-15 Years					\$0	\$0
Develop Community Park (NW-1)	North Bethany	15-20 Years	15.00	7.09	Acres	\$26,818,870	\$7,090,000	\$19,728,870
Develop Community Park (NE-1)	District Wide	5-10 Years	22.37		Acres	\$17,989,168	\$0	\$17,989,168
Acquire and Develop Community Park	Cooper Mtn Area	15-20 Years	15.00	15.00	Acres	\$27,228,870	\$10,500,000	\$16,728,870
Acquire Natural Areas	District Wide	0-5 Years		30.00	Acres	\$450,000	\$450,000	\$0
Improve Natural Areas	District Wide	5-10 Years	119		Acres	\$119,000	\$0	\$119,000
Acquire Natural Areas	Bonny Slope West	0-5 Years		30.00	Acres	\$450,000	\$450,000	\$0
Acquire Natural Areas	North Bethany	0-5 Years		30.00	Acres	\$450,000	\$450,000	\$0
Acquire Natural Areas	SCM Area	0-5 Years		30.00	Acres	\$450,000	\$450,000	\$0
Develop Linear Parks and Trails - Regional	District Wide	5-10 Years	12.19	12.19	Miles	\$43,514,325	\$810,000	\$42,704,325
Develop Linear Parks and Trails - Community	District Wide	5-10 Years	9.19	9.19	Miles	\$32,998,647	\$804,000	\$32,194,647
Develop Linear Parks and Trails	Bonny Slope West	5-10 Years	1.50	1.50	Miles	\$5,314,839	\$60,000	\$5,254,839
Develop Linear Parks and Trails	North Bethany	0-5 Years	1.68	1.68	Miles	\$5,973,620	\$88,200	\$5,885,420
Develop Linear Parks and Trails	SCM Area	0-5 Years	6.00	6.00	Miles	\$21,236,856	\$217,500	\$21,019,356
Develop Sunset Highway Trail Overcrossing	District Wide	5-10 Years	0.10		Miles	\$15,000,000	\$0	\$15,000,000
Develop a Recreation and Aquatic Center (SWQ)	District Wide	5-10 Years	60,000		SF	\$60,000,000	\$0	\$60,000,000
Acquire and Develop a Recreation/Aquatic Center (NWQ)	District Wide	5-10 Years	60,000		SF	\$69,800,000	\$9,800,000	\$60,000,000
Develop Regulation Baseball/Softball Fields	District Wide	15-20 Years	2.00		# Fields	\$1,600,000	\$0	\$1,600,000
Develop Regulation Baseball/Softball Fields	SCM Area	10-15 Years	3.00		# Fields	\$2,400,000	\$0	\$2,400,000
Develop Youth Baseball/Softball Fields	District Wide	15-20 Years	2.00		# Fields	\$1,200,000	\$0	\$1,200,000
Develop Youth Baseball/Softball Fields	SCM Area	10-15 Years	5.00		# Fields	\$3,000,000	\$0	\$3,000,000
Develop Regulation Soccer/Lacrosse/Football Fields	District Wide	5-10 Years	2.00		# Fields	\$1,600,000	\$0	\$1,600,000
Develop Regulation Soccer/Lacrosse/Football Fields	SCM Area	5-10 Years	3.00		# Fields	\$2,400,000	\$0	\$2,400,000
Develop Regulation Soccer/Lacrosse/Football Fields	District Wide	5-10 Years	1.00		# Fields	\$2,000,000	\$0	\$2,000,000
Develop Regulation Soccer/Lacrosse/Football Fields	SCM Area	0-5 Years	2.00		# Fields	\$4,000,000	\$0	\$4,000,000
Develop Youth Soccer/Lacrosse/Football Fields	District Wide	0-5 Years	4.00		# Fields	\$2,400,000	\$0	\$2,400,000
Develop Youth Soccer/Lacrosse/Football Fields	SCM Area	5-10 Years	5.00		# Fields	\$3,000,000	\$0	\$3,000,000
Develop Community Park (SW-2)	District Wide	5-10 Years	29.12		Acres	\$6,494,810		\$6,494,810
Total						\$502,448,288	\$61,037,700	\$441,410,588

From: [Peter Swinton](#)
To: [Jeannine Rustad](#)
Cc: [Deb Galardi](#)
Subject: For Comment: June 23rd SDC Stakeholder Discussion on LOS and Potential Unit Costs
Date: Wednesday, June 24, 2020 4:42:58 PM
Attachments: [20200623 SDC LOS and Proposed Unit Costs Stakeholder Meeting Notes.pdf](#)
[20200623 SDC Stakeholder LOS and Potential Unit Costs Presentation.pdf.pdf](#)

Dear Stakeholders,

Thank you for taking part in yesterday's discussion. Attached are the meeting notes covering the presentation and discussion for your review. **THPRD will be accepting feedback on the content of Tuesday's meeting until next Wednesday, July 1st, at 5:00 PM PDT.** Should you wish to submit a comment, request clarification, make a recommendation, ask additional questions, etc.; please submit them to Peter Swinton via email at pswinton@thprd.org. Your feedback will be taken into consideration for developing the updated SDC methodology THPRD provides to its board for consideration. Additionally, these notes, as well as any additional feedback we will receive, will be provided to the board during the July 22nd work session.

As you develop feedback, we ask that you keep the following questions in mind:

- We will be looking at different ways to fund recreations centers but will need to leverage SDCs as part of any other funding. We are recommending 30% of the cost be included in the calculation. Thoughts and comments on this approach?
- What concerns do you have with the proposed unit costs and/or cost basis?
- Any other thoughts, concerns or recommendations?
- As stated in last week's memo, please keep in mind that the unit costs do not include our costs of compliance.

To supplement these notes, you will find a copy of Tuesday's presentation attached.

Additionally, you may access a video recording of meeting at the following

link: <https://web.microsoftstream.com/video/d9e017b4-d896-4f49-a1c4-de87424b5443>

After the comment period closes on July 1st, I will send a copy of the feedback received during the comment period with THPRD's responses to ensure you are kept up to date on the continued discussion.

Please reach out with any questions.

Sincerely,

Peter Swinton
Planner II

Tualatin Hills Park & Recreation District
15707 SW Walker Road
Beaverton, OR 97006
Direct: 503-619-3981

DISCLAIMER: This email is a public record of the Tualatin Hills Park & Recreation District and is subject to public disclosure unless exempt from disclosure under Oregon Public Records Law. This email is subject to the State Retention Schedule.

DISCLAIMER: This email is a public record of the Tualatin Hills Park & Recreation District and is subject to public disclosure unless exempt from disclosure under Oregon Public Records Law. This email is subject to the State Retention Schedule.

Stakeholder Discussion: THPRD SDC Level-of-Service and Proposed Unit Costs

Meeting Date: June 23rd, 2020, 1pm to 3pm

Location: MS Teams (virtual meeting)

Presentation Team: Jeannine Rustad, THPRD; Deb Galardi, Galardi Rothstein Group; Peter Swinton, THPRD

Re: SDC Stakeholder Meeting Participation Instructions

Attendees:

- Al Jeck, Venture Properties	- Michelle Platter, Touchmark
- Ben Sturtz, BRIDGE Housing	- Justin Metcalf, Wishcamper Partners
- Jilian Saurage Felton, CPAH	- Ezra Hammer, Home Builders Alliance
- Ken Rencher, Washington County	- Ryan Marquardt, Washington County
- Clark Vorm, Noyes Development	

- 1:06 PM – Introductions
 - Purpose – Review Level-of-Service (LOS) and Proposed Unit Costs
 - Participation guidelines
- 1:08 PM - SDC Review Goals and Timeline
 - Policy Issues & Timeline
 - Went to the Board of Directors in May with the results of this group’s tiering discussion and they agreed with the tiering option the stakeholder group preferred.
 - For Single-family (SF): 4 tiers based on sq. ft.
 - For Multifamily (MF): Flat rate for multifamily (MF) units.
 - Based on the Board’s feedback, we used the aforementioned tiers in this analysis to calculate the total SDC costs (this total cost does not yet account for compliance costs).
 - Will hold a work session on July 22 to give guidance on affordable housing waivers, this LOS and proposed unit costs.
 - Timeline:
 - Next stakeholder meeting discussing final recommendations will take place on July 21st.
 - Issuing notices under the ORS and adoption of the methodology is scheduled for November.
 - Working with the city and county on time and requirements needed to update their system to get ready for implementation.
- 1:11 PM - SDC LOS Findings and Potential Unit Costs
 - Basic Parks SDC Formula – Slide 6

- SDCs represent the unit costs of system capacity. In this case, system capacity is the capacity of park amenities (parks, trails, natural areas, etc.).
 - THPRD measures capacity in terms of people served.
 - Focus of today, the equivalent population we expect to serve and the funds needed to be recovered to serve them based on our 20-year project list.
 - Equivalent population means the resident and worker populations that use THPRD amenities based on their ability to use these amenities on a day-to-day basis.
 - Detailed Methodology Framework - Slide 7
 - Costs basis = costs we are trying to recover via SDCs
 - Cost basis determines what portion of the project costs are related to meeting the capacity needs of future growth vs raising the LOS for existing development.
 - Unit costs distributes that cost basis across residential and non-residential growth.
 - Presenting the SDCs
 - Using the residential tiering we discussed in our last stakeholder meeting, we apply the proposed unit costs to the occupancy in per dwelling/dwelling tier to understand the cost per new dwelling unit needed to maintain the park system's capacity as the population grows.
 - Preliminary Findings in Context – Slide 8
 - These are draft findings.
 - We have been working to refine our existing inventory numbers and project assumptions that go into the 20-year project list, so that the figure contributing to this analysis are accurate.
 - The project list used in this analysis is the THPRD 20-year project list based on THPRD functional plans and cost estimates developed for comparable projects.
 - Sample SDCs do not account for compliance costs.
 - We are continuing to refine those numbers without jurisdictional partners.
 - Project list snapshot – Slide 9
 - Breaks out project list by THPRD park types and shows the number of units THPRD needs to develop and acquire to maintain our district-wide LOS as the population grows.
 - There is a district-wide SDC project cost accounting and then North Bethany is separate.
 - North Bethany is considered an overlay area because, as a newer development area, additional capacity needs to be developed in order to meet the growth needs of that area.

- We are proposing to do away with the South Cooper Mountain and Bonny Slope West overlay areas because the land development costs and LOS numbers did not warrant continuing them.
 - Note on Recreation Centers: Does not apply to all THPRD facilities, they are specific facilities that are used for recreation (not visitors centers or historical sites).
 - Units are broken out between acquisition and development because when we think about serving future development, not as many acres are needed because some land to be developed has already been acquired.
- Existing and Planned LOS – Slide 10
 - Future LOS =
 - Existing quantity + Planned quantity/future population server (total equivalent pop [both residents and projected employment])
 - Future population served is the total equivalent population.
 - Developed level of service can be broken out from the Total LOS
 - Developed LOS is the acreage and facilities that have been developed.
 - Total LOS is the acreage of all land developed or undeveloped.
 - For Developed LOS, we are maintaining our LOS into the future.
 - For Total LOS, we expect a slight drop in LOS because we are not planning to buy as much land in the future.
 - Despite this, there are cases where the LOS is higher because we are planning to buy land in those park categories.
- Implication for SDC Cost Basis – Slide 11
 - Existing LOS < Future LOS
 - When this is the case, a portion of the improvements are needed to meet the existing population need to raise the LOS for existing development. This means that not all of the improvements or acquisitions that are on the project list can be allocated to growth because some of those projects will benefit exiting development.
 - Future LOS is considered the standard.
 - Existing LOS > Future LOS
 - No deficiency currently. 100% of future improvements that are capacity increasing are related to future development.
- Preliminary SDC Cost Basis – Slide 12
 - Growth share on the project-type is the allocation of projects needed to meet the need of future population/development. This allows us to make sure costs are allocated equitably between development serving existing population and that expanded capacity serving new population.
 - The total costs needed for growth is the numerator when calculating unit costs.
- Equivalent population – Slide 13
 - The equivalent population figure is the denominator when calculating unit costs.

- For residential population growth, 1 new resident equals 1 equivalent population.
 - For non-residential (employment) population growth, 1 employee equals 0.219 of equivalent population because they have less opportunity to use THPRD parks and facilities.
 - This is within the range of equivalency factors used across the country (0.15 to 0.5).
 - This counts employees who do not live in district (only those that commute into the district)
 - Equivalent population allows us to distribute the unit cost burden between residential and non-residential.
- Preliminary unit costs – Slide 14
 - Based on the equivalent population, the known/expected development and acquisition costs, and the growth share allocation for each park type; we can distill a single unit cost per unit of equivalent population.
 - North Bethany – Supplemental SDCs are required in order fund the capacity increases needed to meet the need from new development.
 - Scenario 1 shows the unit costs with new rec centers funded at 100%.
 - Scenario 2 shows the unit costs with new rec center funded at 30%.
- Draft Residential SDCs – Scenario 1 – Slide 15
 - This assumes funding rec centers at 100%
 - From the previous SDC tier discussion, the occupancy at each tier is multiplied by the unit cost to yield the total SDC charged to a unit within that tier (this does not account for compliance costs).
- Draft Residential SDCs – Scenario 2 – Slide 16
 - Assumes funding rec centers at 30%
 - This scenario uses the same tier assumptions with respect to persons-per-unit.
 - Reductions seen from scenario 1 are because of the reduction of funding share for rec centers.
- Issues feedback – Slide 18
 - What are your thoughts on the recommended 30% funding for Recreation Center improvements?
 - What concerns do you have with the proposed unit costs or cost basis?
 - Other comments?
- Options for ADU Occupancy – Slide 19
 - 1.45 persons per unit (ppu): the current THPRD approach – based on data from the 2013 Oregon survey (detached and attached ADUs combined)
 - 1.48 ppu: American Housing Survey (AHS) Portland area 2015 - Occupancy for DU's less than 750 sq. ft.
 - 1.39 ppu: 2013 survey for detached ADUs only
 - Similar approach used by Eugene

- 1.33 ppu: AHS Portland 2015 – 0 to 1 bedroom MF units
 - 1.09 ppu: AHS Portland 2015 – average occupancy for 0-bedroom MF units
 - Similar approach to Bend and Clackamas Co.
 - The final approach selected is largely a policy decision and all have been shown to be statistically defensible.
- 1:44 PM - Q & A/ Group discussion
 - Questioner: Ezra Hammer (HBA)
 - Question/statement: Is the equivalent population split used to determine the cost burden between residential vs non-residential development?
 - THPRD Response: Yes.
 - Ezra Hammer
 - Is the person per unit factor changing for MF housing? If so, what is the current factor?
 - Current factor 2.03 updated is 2.01.
 - How many units in your look back period were less than 1500 sq. ft.?
 - We will confirm, but we believe it was 5-6%.
 - Michelle Platter (Touchmark)
 - Is there any consideration for alternate rates for retirement housing?
 - Senior housing is defined as congregate care housing which is congregate care facilities with common dining.
 - 1.5 persons per unit for that type of housing.
 - Are you referring to that type or a different type?
 - Michelle - Memory Care, which assumes 1 person per unit.
 - Where it's continuum of care, occupancy is determined by the number of employees because occupants don't get out into the community much.
 - In Bend, they don't charge the units at all for that reason.
 - Independent living roughly averages 1.5 and vehicle use is minimal.
 - Ezra Hammer
 - Can you explain in more detail why there was no analysis of a 0% option for funding community facilities? Why use 30 instead of 25% or 10%?
 - Based on looking at other funding sources, including a bond measure, general obligation funding and grants, this was an amount determined to be sufficient leverage. We can take multiple scenarios for our board to consider. We had looked at 50%, but we determined that was too much. We can look at different alternatives and welcome your feedback.
 - We were hoping for rates that would not increase, that's what we're seeing with option 2 and we like that. That being said, these rates are higher than other jurisdictions and, though we understand why park assets are valuable, we are hopeful you will find other mechanisms to fund these types of improvements.

- Thank you for your comments. We are sensitive to this. We will be reaching out to the chamber of commerce too, because we realize this impacts them as well.
 - Is there consideration of public private partnership for development?
 - Absolutely. We try to encourage these partnerships by providing credits at our costs, but letting developers develop the park at their costs, which are often less. We are open to other ideas too, so please share.
 - I think our members sent in 6-7 letters for inclusion in the last Board packet. Some weren't included, can you speak to that?
 - Let's talk offline because I only saw 2 of those letters. We want to get these in front of the board, so let's talk. When you send them, please copy Jeannine Rustad so we can make sure they get included in the record.
- 1:56 PM - Recap Discussion and Next Steps
 - Please digest this and respond over the next week with further questions and comments by 5pm on July 1st, 2020.
 - Please send questions and comments to Jeannine Rustad and Peter.
 - pswinton@thprd.org and jrustad@thprd.org
 - Please send letters so that we can present them to our board.
- 1:58 PM - Meeting Adjourned

WISHCAMPER

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montana 406.728.3040
wishcamperpartners.com

June 22, 2020

Jeannine Rustad, JD
Planning Manager
Tualatin Hills Park & Recreation District
15707 SW Walker Road
Beaverton, OR 97006

RE: Cost Summary of Project & Proposal

Dear Jeannine,

Good day. As requested, we are providing unit and cost information for our 164-unit affordable housing project located on the Main Street parcel in South Cooper Mountain ("Main Street" project). As you know, we have the adjacent 30-acres under contract as well ("Blackbird Farms" project) and we will utilize part of that land to expand the affordable housing project to 299-units across two simultaneous phases, including an 80-unit senior building. Please see Appendix 1 for a summary of what was requested and a site rendering of the combined projects.

You will notice all the public parks and open space is being provided by the affordable housing development and the other 40% of the development will be market-rate. The market-rate buyers we have talked to about buying and building have stated they won't be able to set-aside any land for open space beyond what is required by zoning. This should not reflect negatively on market-rate development, rather illuminate how affordable housing has more ability to provide meaningful public open space and parks given how the projects are structured.

If Federal Low Income Housing Tax Credits ("LIHTC") are used as a project's funding source, then an affordable housing deed restriction will be implemented and enforced through Oregon Housing. Oregon Housing requires a 30-year term in their deed restrictions and both Main Street and Blackbird will be subject to that minimum term. However, at Main Street the City of Beaverton required the project increase the deed restriction term to 60-years and have a minimum of 12-units at 30% AMI (rest at 60%) as a condition of accepting their allocation of Metro Housing Bond proceeds.

I have an idea that I would like to share. I believe THPRD can help to preserve affordability by extending deed restrictions beyond 30-years, provide critical funding into projects through an

SDC credit, increase the number of required 30% AMI units, and create additional public park and open space benefits.

Our company engages in both new construction and preservation of existing affordable housing. Including Oregon, most states follow the Federal minimum requiring 30-year affordable housing deed restrictions in exchange for an allocation of LIHTC. As a consequence, most states have thousands of units each year that will “term-out” and are thus at risk of losing their affordability. We work with Oregon Housing to identify projects prior to their 30-year deed restriction ending and attempt to buy them directly from owners so we can preserve the affordability through new use restrictions. Unfortunately, we are rarely successful as owners know that market-rate buyers can pay much higher prices because they can achieve much higher income levels after the restrictions are removed and they mark-up the rents. This obviously displaces the affordable housing residents. To me, this seems like a very big flaw in the system when you consider how hard we work to bring new affordable units online in Oregon.

Combatting this are organizations like Metro who realize the issue and require 60-year affordable housing deed restrictions in exchange for an award of Metro Housing Bonds. But what about all the projects that don’t use Metro Housing Bonds as part of their funding? By example, our Blackbird project is only required to have a 30-year deed restriction.

While I feel the need for 60% AMI housing is just as great as 30% AMI (we develop both), I understand the concerns over stretching a THPRD credit for SDC fees to include 60% AMI. Therefore, I have a proposal that I feel provides additional and measurable benefit to THPRD and the community that it serves in exchange.

- 60% AMI projects with no 30% AMI units would receive a 50% credit on SDC fees, provided they agreed to extending their deed restrictions from 30 to 60-years.
- 60% AMI projects that agreed to extend their deed restrictions to “in perpetuity” (which is the life of the project) and commit 10% of the unit to 30% AMI would receive a 75% credit on SDC fees.
- Along with the conditions in the second bullet, 60% AMI projects will receive a 100% credit on SDC fees in exchange for a meaningful commitment to creating public open space and/or parks designed in collaboration with THPRD (beyond their requirement under zoning).

This would have a large impact on the longevity of the affordable housing being constructed today in THPRD’s jurisdiction, not just those constructed with Metro Housing Bonds. It would also increase the number of public parks and open space, create more 30% AMI units than otherwise would be, and provide the ability for developers like us to begin making deals pencil without the

need for Metro Housing Bonds, which while a wonderful resource, can't be relied upon to create all the affordable housing needed in the Tri-County area.

Thank you for providing me a platform to share my ideas and let me know if you would like to discuss this any further.

Sincerely,

A handwritten signature in black ink, appearing to read "Justin A. Metcalf", with a long horizontal flourish extending to the right.

Justin A. Metcalf

President, Wishcamper Development Partners

Cell: 406.550.1244 | jmetcalf@wishcamperpartners.com

Appendix 1: Cost Summary of Blackbird and Main Street


Please note cost estimates are preliminary. Please further note that the 30% set-aside for Blackbird has not been finalized as 0-units are required, but we desire to ensure the entire project has 10% @ 30% AMI as per ongoing conversation with the City of Beaverton.

	Total	Main Street	Blackbird
Senior Units	80	80	0
Family Units	219	84	135
Total Units	299	164	135
Units @ 30% AMI	27	12	15
Units @ 60% AMI	272	152	120
% @ 30%	10%	8%	13%
Public Pocket Park 1 (Picnic Area, Structured Seating)	\$65,000	\$65,000	
Public Pocket Park 2 (Picnic Area, Structured Seating)	\$125,000	\$125,000	
Central Public Park (Large Splash Pad, Play Ground Equipment, Picnic Area, Structured Seating)	\$250,000		\$250,000
Public or Private TBD Pocket Park 3 (Play Equipment, Picnic Area, Structured Seating)	\$65,000		\$65,000
Community Gardens (Open to Public, First Come First Serve, Affordable Residents Have Priority on Wait List)	\$65,000		\$65,000
Trail System (4,500 LF of 12' paved @ \$50/LF) + \$150K for Boardwalks, Ped Bridges, Wetland Impacts	\$425,000		\$425,000
Total	\$995,000	\$190,000	\$805,000

** Does not include value of land @ \$700K/Acre*



DRAFT - REVISED (7/10/20)

 SDC Update Timeline	2020									
	March	April	May	June	July	August	September	October	November	December
Stakeholder Outreach #1: Email Issues & schedule	★									
Stakeholder Outreach #2: Residential Tiering			★							
Board Meeting #1: Residential Tiering				★						
Stakeholder Meeting #3: LOS and Unit Costs					★					
Board Work Session: Affordable Housing, LOS and Unit Costs						★				
Stakeholder Meeting #4: Final Recommendations					★					
Board Meeting #2: Final Recommendation						★				
SDC 90-Day Notification							-----			
Develop SDC Methodology							-----			
Develop Amended 5-year CIP							-----			
Develop Amended Admin. Procedures Guide (APG)							-----			
Board Adoption of Policy on Affordable Housing								★		
Board Meeting #3 (Hearing)									★	
Board Review of Amended 5-year CIP & APG									★	
Board Adoption of Amended 5-year CIP & APG										★

★ Stakeholder Meeting

★ Board



Jurisdiction	Affordable Housing SDC Policy
City of Portland	<p>To be eligible for the SDC Charge Exemption Program, the City's policy requires that the Applicant(s) must have site control of the Property in a form acceptable to the Portland Housing Bureau (PHB) and (check one):</p> <ol style="list-style-type: none"> 1. Home Ownership: (i) buyer(s) both occupying and on title must have gross income at or below 100% of Median Family Income for a family of four, adjusted upward for households of five or more people;* (ii) buyer(s) must intend to occupy the property at time of purchase; (iii) buyer(s) must submit a Homeowner Compliance Verification Form to PHB for review; (iv) the sale price of property must not exceed the annually adjusted price cap set for the Homebuyer Opportunity Limited Tax Exemption (HOLTE) program*; and must be an arm's length transaction 2. Rental: (i) renter's (household's) income must be at or below 60% of the Median Family Income (MFI) for a period of 60 years*; and (ii) maximum rent burden must be no more than 30% of 60% MFI for a period of 60 years. 3. Rental – Old Town/Chinatown Action Plan Focus Area Pilot Program: (i) renter's (household's) income must be at or below 100% of the Median Family Income (MFI)* and the maximum rent burden must be no more than 30% of 100% MFI for a period of 10 years; (ii) and renter's (household's) income must be at or below 120% of the MFI* and the maximum rent burden must be no more than 30% of 120% MFI for an additional 5 year period; (iv) the Applicant(s) must have demonstrated a financial need for the exemptions, as approved by the Portland Development Commission (PDC); and (v) II-permeated partitions, furnished with cots, floor mats, or bunks. Individual sleeping rooms are not provided; (iii) the shelter is managed by a public or non-profit agency to provide shelter; (iv) shall provide shelter for a minimum of 10 years. <p>**\$1000 application for homeowner and \$2200 for rental exemptions</p>
City of Beaverton	<p>City Council adopted a resolution on December 4, 2018, to provide limited SDC relief for regulated affordable housing projects and directed staff to collaborate with other jurisdictions that charge SDCs to Beaverton projects for additional SDC relief.</p> <ul style="list-style-type: none"> • Pay or provide project subsidies equal or greater than applicable SDCs assessed by the City • 60% of the area medium income • Remain affordable for 60 years • Working to modify city SDC fees, policies and procedures to promote the construction of qualified regulated housing
City of Tigard	<p>Exemptions are provided for qualified affordable housing to Tigard Parks and Transportation SDCs. All other SDCs, including those levied by other districts remain effective.</p> <p>Qualified affordable housing means:</p> <ol style="list-style-type: none"> 1. Has a local, state or federal compliance agreement or contract; 2. Be affordable to households at or below 80% of MFI; and 3. Remain regulated affordable for minimum of 20 years <p>(https://www.tigard-or.gov/city_hall/SDC_Exemption_Affordable_Housing.pdf)</p>

City of Tualatin	
City of Bend	<p>August 2018 Council approved an ordinance that will waive some system development charges</p> <ol style="list-style-type: none"> 1. Developments that receive local, state, or federal funds meant for affordable housing to be exempt from 100 percent of water and sewer SDCs and 75 percent of transportation SDCs. Eligible projects would likely include rental housing that is affordable for households making 60 percent or less of the area median income (AMI), owner-occupied or lease-to-purchase housing for households making 80 percent or less of the AMI, and homeless shelter developments. 2. If the total annual exemption requests exceed \$1 million, priority will be given to projects meeting certain additional criteria, including but not limited to: utilization of outside funds and services, partnerships with other organizations and agencies, proximity to transit corridors, and provisions to increase public transit options. 3. Bend Park and Recreation District updated methodology in July 2019 to waive the first 400 deed-restricted affordable housing units through December 31, 2022. Requires 30-year deed restriction
City of Eugene	<ol style="list-style-type: none"> 1. Housing for low-income persons is eligible for an exemption from paying local charges imposed by EC 7.705, per Eugene City Code (EC) section 7.725(c). The waiver would cover local SDCs but not regional SDCs. There is a limited amount of waivers available annually so a waiver is not guaranteed for all developments that qualify. 2. SDC waiver is used in combination with other resources for larger multi-family rental developments, but can also be used for small rental developments, and low-income single-family homeownership development. 3. The income limit for rental development is 60 percent of the area median income, and for homeownership development is 80 percent of the area median income, based on the income limits published annually by the US Department of Housing and Urban Development. The affordability requirement must be met for a period of five years.
City of Hillsboro	Nothing at this time.
City of Sherwood	No response.
City of Wilsonville	Waivers for ADUs. Anticipates more after completion of Equitable Housing Strategic Plan by middle of 2020. They are starting to look at fees, and have expressed preliminary interested in learning from THPRD's approach.
Wash County	<ul style="list-style-type: none"> • Expedited review for regulated affordable housing (100 days v. 120 days) • Try to be more flexible with affordable housing developers to help them through the development review process • Incentives include: more flexible development standards; parking reductions; funding-related incentives like property tax exemptions or funding/development partnerships through Housing and/or Community Development • County is not waiving/reducing the transportation development tax (TDT); CWS is not waiving/subsidizing SDCs. May change as the County and other agencies continue to evaluate the utility of waiver/subsidy programs.



MEMO

DATE: July 6, 2020
TO: Doug Menke, General Manager
FROM: Holly Thompson, Communications Director

RE: Park Patrol

Mark Pierce, Security Operations Manager, will attend the July 22 board of director's work session to provide a comprehensive update on the work of the district's park patrol team. The update will focus on the team's community services work and their focus on providing patron assistance, responding to calls, and educational efforts.

The work session will also highlight the team's internal and external partnerships. Staff work closely with various district departments, such as maintenance and communications. Lulú Ballesteros, Cultural Inclusion Specialist, will join the presentation to highlight the district's new Message Gardens pilot project that launched this month as an example of one of these partnerships. Mark will also highlight the district's partnerships with external public safety partners such as the Beaverton Police Department, the Washington County Sheriff's Office, Tualatin Valley Fire & Rescue, and Washington County Emergency Management. Mark will review training protocols for staff, the most common calls for service in a month, and how the team's work has been impacted by both the COVID-19 pandemic as well as the current national conversation happening around systemic racism.

The work session is an opportunity to highlight the important work of the park patrol team and to acknowledge the evolving nature of the work to be more focused on community partnership, community engagement, and creating positive opportunities to address safety issues on district property.