

# **PDX Commons Condominium Owners' Association House Agreement**

## **Decision Making Process and Governance Documents**

*Responsible: Community Process Committee*

*First Adopted: June 2021*

*Last reviewed: October 2020*

### Objectives of House Agreement on Decision Making Process and Governance Documents

This House Agreement (HA) provides one document that states and clarifies our decision-making process and explains the relationship among our governance documents.

The procedure implementing details of this Agreement is a separate “House Procedure on Decision Making and Governance Documents.”

## **I. HOA Decision Making Process: Consensus**

PDX Commons Condominium Owners' Association (HOA) uses a modified consensus decision making process as the normal process for making decisions at the full community and committee levels, except where otherwise required by the Bylaws or the Oregon Condominium Act (ORS Chapter 100). Who is eligible to take part in the PDXC decision-making process at the COW will be determined by the Rights & Responsibilities House Agreement.

We use processes designed to cultivate consensus in the group in all decision-making, regardless of how the final decision is made. We use the consensus process because:

- a. It is rooted in and builds curiosity, understanding and mutual respect, empowering a relational culture rooted in story, relationship, and trust.
- b. Built into this consensus process are the assumptions that we are all trustworthy, that we are all equal, that each of us has valuable perspective and wisdom, that all voices are heard, while none has the whole truth and that solutions arrived at by considering and respecting all of the perspectives in the room will be more creative and more sustainable than those arrived at through a simple majority vote process.

To use this process four ingredients are necessary:

- A group of people willing to work together,
- A problem or issue that requires decision by the group,
- Trust that there is a solution, and
- A commitment of time and energy to find the most viable way forward at that time.

It is important to come to meetings with a clear and open mind and a firm willingness to listen to others. This is not to say that prior thinking and research should not have been done, but simply that the thinking must remain open throughout the discussion, or else there is no way to come to the full consensus.

Well-executed and facilitated processes and procedures are key to success. See *HOUSE PROCEDURE: Decision Making Process and Governance Documents.*

### **A. Quorum**

A quorum for making decisions within the COW is 50% plus one of its members. For the consensus process this refers to individual members. For the fallback voting step, this refers to households.

### **B. Fall Back Voting**

Decision by consensus does not always yield adoption of a proposal. In these situations, it is handled by further discussion, amending the proposal, or dropping the proposal from further consideration. In rare situations, described below, the Community may choose to utilize a fallback vote.

We will use fall back voting to make decisions under the following circumstances:

- a. When deferring the decision to a later time would result in harm or unacceptable risks or costs to the organization or put us out of compliance with our governance documents, agreements or commitments, and the group decides that a decision needs to be made.

#### **OR**

- b. When we have worked hard to come to consensus without resolution and feel that full consensus is highly unlikely to emerge with more work and the group decides that a decision needs to be made. Generally, fall back voting would not be initiated in the same meeting as when the block took place. However, the members can exercise fall back voting at the same meeting if there are extraordinary circumstances.

If the above circumstances are met, any person empowered to vote on the proposal may request a vote on whether to move to make the decision based on the fallback system, which requires a 75% majority vote. This request requires a second, by another person present who is qualified to vote on the decision. Presuming a quorum is present (50% plus one for most decisions), once the request has been made and seconded, the facilitator must ask the people present who are qualified to vote, to vote on whether to move from a consensus process to a 75% majority vote. If a 75% majority of those qualified to vote do vote yes, the decision is put to a vote, with the 75% majority securing passage, and the dissenting opinion(s) recorded in the minutes. Refer to the accompanying Procedures for clarification on this topic.

Fall back voting can take place at the COW. In this case, the voting will take place by household

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with one vote per unit

## **C. Number of Meetings Required for Passing Proposals Using Community Consensus**

### **1. General Two-Pass Standard**

Proposals coming from standing committees through the Coordinating Committee to the business meeting of the Committee of the Whole (COW) for consensus decision-making will be presented at a minimum of two meetings, if feasible:

- a. The first meeting will include a presentation of the proposal, answering questions about the proposal, and soliciting other feedback from the community.
- b. After the first reading, the proposal may be modified by the originating Committee based on feedback, postponed, or dropped.
- c. The second meeting will consist of a presentation of the proposal (possibly with changes), questions, opinions about the proposal. The facilitator can test for consensus to see if the community is ready to make a decision or if further discussion is needed.
- d. Occasionally, substantial revisions to or additional concerns about a proposal may require additional meetings for further discussion or amendments before the Community is prepared to make a decision.

### **2. Single-Pass Exception**

There may be occasions in which it is expedient to bring a proposal for consensus decision-making in a single meeting. Qualifying criteria would include:

- a. A proposal that is time-sensitive – this is a primary reason for a single-pass exception, and when added to any criteria below will increase the need to approve a single-pass exception.
- b. If the proposal is NOT time-sensitive, all the following criteria should describe the proposal:
  - It is anticipated to be non-controversial by the Coordinating Committee; **and**
  - It is primarily operational (especially if necessary, for building maintenance); **and**
  - It requires no significant change in accepted community behavior or in community process or practices.

The procedures for approving a proposal at a single meeting of the COW is described below:

- a. The Coordinating Committee ascertains that a proposal going to a business meeting of the COW meets qualifying criteria for a single-pass exemption from the standard

consensus decision making process.

- b. The Coordinating Committee (generally through the assigned facilitator for that COW meeting) notifies the community at least 48 hours prior to the business meeting that a proposal is recommended for a single-pass exception; all pertinent information relative to that proposal to the community will be presented in writing, along with the provision to get questions answered in advance.
- c. All single-pass recommendations will be noted as such on the business meeting agenda, and the COW is reminded of that prior to proposal presentation/discussion during the meeting.
- d. If the proposal becomes controversial during the discussion, any member(s) of the COW can request removal of the single-pass exception so that the proposal moves back to the standard two meeting process. If the proposal is time-sensitive, the facilitator will assist the community to reach an agreed-upon course of action. (A question to ask is: what will be lost if we wait a month before taking action?)
- e. Spontaneous conversion of a two-pass proposal to a single-pass exception during a business meeting (i.e. without prior recommendation of Coordinating Committee or notice to the community) is discouraged, but such exception could be approved by the COW.

## **II. Governance Documents: Policies, House Agreements and Procedures**

The policies and procedures for operation of the HOA are laid out and recorded in the following hierarchy of documents.

### **A. Federal State and Local Laws**

Each of the HOA governance documents described below must be consistent with federal, state, and local laws, such as the Oregon Condominium Act (ORS chapter 100).

### **B. Declaration of Condominium Ownership for PDX Commons Condominium**

The purpose of the Declaration of Condominium Ownership for PDX Commons Condominium, recorded in Multnomah County, is to create the PDX HOA.

- Amendments to different part of this Declaration require different thresholds; some require 75%, some require unanimous consent, and some require consent of Mortgagees. (see Section 23 for details).
- Amendments must be recorded in the official record of Multnomah County.
- Amendments would probably require legal counsel to prepare.

## C. Bylaws of PDX Commons Condominium Owners' Association

The purpose of the Bylaws of the PDX Commons Condominium Owners' Association, recorded in Multnomah County, is to establish rules that govern the operation of the HOA. The Bylaws must be consistent with the Declaration of Condominium Ownership.

- Amendments require either a majority of Owners or 75% approval depending on substance of change (Bylaws Section 11).
- Amendments must be recorded by Multnomah County.
- Amendments would require legal counsel.

## D. House Agreements

House Agreements are consensus-based decisions that are intended to guide the behavior of community members and the use of common spaces shared by community members. House Agreements are referred to as “Rules and Regulations” in the Declaration. “These Rules and Regulations are sometimes referred to as “House Agreements.” (Bylaws Section 1.1.20). Bylaws Section 4.2.6 gives the Board of Directors the power and duty for “adoption and amendment of reasonable Rules and Regulations of the Condominium.” The Board of Directors delegated this role to the Committee of the Whole (COW) by resolution at the first HOA meeting on 10/23/17.

- Purpose: Bylaws Section 8.27 states: “. . . *the Association and the Board of Directors from time to time may adopt, modify, or revoke Rules and Regulations, House Agreements governing the conduct of persons and the operation and use of the Units and the Common Elements as it may deem necessary or appropriate in order to assure environmental and sustainability values of the Owners and the peaceful and orderly use and enjoyment of the Condominium . . .*”
- House Agreements must be consistent with Bylaws, Declaration and Laws.
- House Agreements are internal actions of PDXC and do not require any outside review or recording.
- Approved House Agreements are confirmed at the annual Association meeting.

Note: There is a subset of House Agreements which will be titled: “*Resolution, House Agreement*” This title is required by some of our outside parties such as financial institutions or lawyers. Otherwise, the action shall be treated the same as other House Agreements.

## E. Procedures

The purpose of Procedures of the PDX Commons HOA is to provide clarity about the implementation of House Agreements, administrative processes, or details of how things operate

at PDXC. Procedures must be consistent with all existing House Agreements, Bylaws, Declaration, and Laws. Procedures are not legal documents and do not require any outside review or recording.

## **BACKGROUND**

This HA is a compilation, clarification and expansion of several existing documents including:

- Voting Fall Back – Revised 1/13/15
- Single Pass Exemption for Proposals Requiring Community Consensus, 7/15/18
- Policy Reconsideration Process, about 10/26

Adopted: 6/27/21