

City considers extensions for land-use permits

Bureau of Development Services' proposed code amendment would help developers

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BY TYLER GRAF

As the recession continues, the Bureau of Development Services is proposing a zoning-code amendment that would extend the expiration dates of land-use reviews and pre-application conferences.

Under the current code, developers who do not obtain a building permit within three years of receiving approval of their **land-use reviews** must go through the process again. That process can cost \$15,000 to \$20,000 in city fees and more than \$100,000 when added to the cost of hiring consultants and writing studies.

Douglas Hardy, who's spearheading the proposal for the BDS, said the bureau is attempting to help developers whose land-use approvals were issued between April 2006 and December 2008.

The amendment would extend building permits through 2012.

"Given the current economic circumstance, a greater number of (developers) are not pursuing permits or are having trouble getting them," Hardy said.

Over the last three years, the number of **commercial building permits** being issued is decreasing. For the 2006-07 fiscal year, BDS issued 4,266 building permits. But the bureau estimates that for 2009-10 it will issue just 3,200 permits.

Residential permits have also seen a sharp decline: In 2006-2007, BDS approved 7,171 permits; for 2009-2010, the bureau expects to approve 4,200.

The amendment proposal comes after the considerable lobbying efforts of the Home Builders Association, which had requested building permit extensions from various local jurisdictions, including the city of Gresham.

Tom Skaar, a developer and president of the Home Builders Association, said Portland was the first jurisdiction to move forward with the permit extensions.

"We wanted some clarity in the marketplace – clarity that recognized we are in extraordinary times," Skaar said.

Development interest groups, such as the Home Builders Association, suggested that if Portland provided leadership on the issue of extending the expiration dates of land-use reviews, it would in turn

give the city a competitive advantage in permitting projects in the future.

"The city could see additional fee income," Skaar said. "People would want to build here versus in Gresham."

Although semi-retired from development since 2007, Skaar has been affected by the economic slowdown and its effects on the permitting process. In 2005, he bought a nine-lot subdivision in Forest Grove, on which he constructed seven houses in 2007. They won't sell, he said. He's had the same problem in Aloha, where he has another nine lots, on which he's now building rental housing.

Condominium and single-family developers, and developers looking for land divisions, have been the most adversely affected, Hardy said.

The decline in permitted development, in combination with a freezing of credit markets, has resulted in a 9.2-percent reduction in the state's construction employment in 2008, with a projected decline of 16 percent in 2009, according to the most recent Oregon Economic and Revenue Forecast.

If passed by City Council, the extension would likely not extend past 2012.

"We thought, in light of the tough times, we just needed a one-time extension," Hardy said.

City Council on April 15 is expected to make a decision on the bureau's recommendation. If it passes, then the amendment would go into effect on April 20.

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