



City of
PORTLAND, OREGON

Development Review Advisory Committee

Development Review Advisory Committee
MINUTES
Thursday, June 19, 2014

DRAC Members Present:

Claire Carder
Jeff Fish
Rob Humphrey
Kirk Olsen

Hermann Colas
Maxine Fitzpatrick
Maryhelen Kincaid

Phil Damiano
Steve Heiteen
Dana Krawczuk

City Staff Present:

Ross Caron, BDS
Mark Fetters, BDS
Kareen Perkins, BDS
Deborah Sievert Morris, BDS
Morgan Tracy, BPS

Fred Deis, BDS
Jill Grenda, BDS
Andy Peterson, BDS
Rebecca Sponsel, BDS
Christopher Wier, PBOT

Rebecca Esau, BDS
Mitch Nickolds, BDS
Paul Scarlett, BDS
Nancy Thorington, BDS
Sue Williams, BES

DRAC Members Absent:

Dave Humber
Michelle Rudd

Keith Jones
Joe Schneider

Chris Kopca

Guests Present:

Janet Baker, Beaumont-Wilshire Neighborhood Association
Jim Brown, Alameda Neighborhood Association
Steve Elder
Tom Hansen, Eastmoreland Neighborhood Association
John Hasenberg, ORA
Michael Kennedy, Alameda/Irvington Neighborhood Association
Kim Koehler, Eastmoreland Neighborhood Association
Robert McCullough, Eastmoreland Neighborhood Association
Jim Redden, Portland Tribune
John Sandie, Beaumont-Wilshire Neighborhood Association
Barbara Strunk, Beaumont-Wilshire Neighborhood Association

Handouts

- DRAC Meeting Minutes 5/15/14
- Inter-Bureau Code Change List
- Code Guide for Accessibility Upgrade Requirements in Existing Buildings (Draft)
- BDS Major Workload Parameters
- Non-Cumulative Cost Recovery Report
- Land Use Review Expiration Extensions Notice
- RICAP 6 Update
- Summary of Chapter 33.207 (Accessory Short-Term Rental Regulations)
- Proposed Change to Prescriptive Residential Solar Permits
- Neighborhood Demolition Initiative

Demolition Subcommittee Handouts

- Demolition Subcommittee Meeting Agenda 05-29-14
- Demolition Subcommittee Meeting Notes 05-29-14
- Demolition Courtesy Notice (Revised)
- Recommended Steps for Posting Courtesy Notice
- Major Alterations Program Guide

Convene Meeting

DRAC Chair Jeff Fish convened the meeting and welcomed DRAC members and guests. DRAC members reviewed and approved the May 2014 meeting minutes.

Director's Report

BDS Director Paul Scarlett reviewed the handouts *BDS Major Workload Parameters* and *Non-Cumulative Cost Recovery Report*. He noted that the bureau's cost recovery rate was 163% for the month of May, and the cumulative cost recovery rate for the year is 140%. The bureau is also seeing more diversity in the types of projects being submitted.

Nancy Thorington (BDS) referenced the handout *Code Guide for Accessibility Upgrade Requirements in Existing Buildings (Draft)*. She encouraged interested DRAC members to read through the proposed changes and contact her with any questions or concerns.

BDS Land Use Services Manager Rebecca Esau reviewed the handout *Land Use Review Expiration Extensions Notice* and gave an overview of the rationale for letting the expiration extension end.

BDS Plan Review/Permitting Services Manager Andy Peterson addressed the expiration of rules allowing for 18-month extension of Systems Development Charges (SDCs). In 2010, in order to support new single-family residence (SFR) construction during the recession, the City Council approved adding an option to defer payment of SDCs for 18 months for new SFRs, including detached, duplexes, row houses, and townhouses (the code already allowed SDC payment to be deferred from 6-12 months, based on project valuation).

Over the last 23 months, only 55 SFR projects out of approximately 1500 SFR permits that were issued actually used the longer deferral. The ordinance was therefore allowed to sunset on June 30, 2014.

Mr. Scarlett mentioned that with BDS's continued growth, the bureau has reacquired the entire 6th floor of the 1900 Building and is moving workgroups around to make better use of space in the building.

Mr. Fish asked development bureau representatives for information about SDC changes for fiscal year (FY) 2014-15. Parks SDCs will not be changing, while Transportation SDCs will increase from 3-5% and Environmental Services SDCs will increase by 5%.

BES Update

Sue Williams (BES) said that BES land use fees, building permit review fees, and sewer connection fees will be increasing by 5% for FY 2014-15. BES Major Projects Group (MPG) fees, Public Works permit fees, and Early Assistance fees will be unchanged.

Administrative Rules for BES SDCs are out for public review and are due to be adopted at the end of June. The changes are housekeeping/clean-up in nature.

Short-Term Rentals

Morgan Tracy (BPS) gave an update on RICAP 6 (Regulatory Improvement Code Amendment Package) and short-term rentals. He reviewed the handout *RICAP 6 Update*. Most of the changes in RICAP are technical in nature, providing clarification or correcting conflicts or inaccuracies. City Council approved most of the RICAP changes, which will go into effect July 11th.

The Council deferred approval on the portion of RICAP addressing short-term rentals. Mr. Tracy distributed and reviewed the handout *Summary of Chapter 33.207 (Accessory Short-Term Rental Regulations)*. DRAC Member Maryhelen Kincaid clarified that the proposed rules would allow for owner- or renter-occupied properties to be used for short-term rentals. Mr. Tracy said that Commissioner Saltzman introduced an amendment requiring carbon monoxide detectors.

John Hasenberg (ORA) asked about a requirement for egress windows. Mr. Tracy said that they cannot ask for more stringent requirements than the building code required at the time the bedroom was built; if it met code at time of construction, it is allowable.

DRAC Member Steve Heiteen said that the proposed fee for Type A is too low and will not approach cost recovery. He also noted a lack of reference to insurance coverage and business license requirements. He said that the two-year period may be too long, and that the fact that these rentals are being advertised on the internet indicates that they're businesses, and they should be regulated as such. Mr. Tracy said that the City doesn't look at insurance coverage when it issues a commercial business permit.

Mr. Scarlett said that BDS is playing catch-up with these rentals, and does not plan to pro-actively inspect all short-term rentals. BDS will respond to complaints regarding code violations as they come in.

Ms. Kincaid asked what neighbors can do to address concerns with short-term rentals, and asked how the City will track inspections of short-term rentals. Mr. Tracy said the application will include a requirement to notify neighbors and obtain an inspection. DRAC Member Hermann Colas asked about the potential for using short-term rentals for illegal purposes (prostitution, drugs, etc.). Mr. Tracy said existing laws will address those issues.

DRAC Member Kirk Olsen asked if Portland is looking at how other cities are addressing short-term rentals. Mr. Tracy said they have been looking at cities such as Austin, San Francisco, and New York, but there is currently little in the way of "best practices".

Robert McCullough (Eastmoreland Neighborhood Association) said that neighborhoods are concerned about liability and security issues related to short-term rentals. He said that in the City Council hearing, someone proposed that the operator be required to include the City license number in the advertisement.

The City Council will hold a work session on short-term rentals on June 24th at 10:00 a.m., and will hold a hearing on July 2nd at 2:00 p.m.

Solar Fee

Andy Peterson (BDS) distributed and reviewed the handout *Proposed Change to Prescriptive Residential Solar Permits*. BDS is proposing to reduce solar permit fees by 41% in order to more closely match actual bureau costs. The change will help solar projects move forward and make it more likely that applicants will get permits for the work.

Mr. Scarlett said that 7-8 years ago, City Council reduced the fee down to \$1 in order to encourage growth in solar power usage. That changed during the recession, when BDS had to achieve cost recovery in order to provide the services.

Mr. Heiteen asked about the level of un-permitted installations. Mr. Peterson said that over time the solar industry has become more compliant in going through the permitting and inspection processes. The City knows the majority of the installers and is confident that permits are being obtained the vast majority of the time.

The fee change will go into effect July 1st.

Demolitions

Demolition Subcommittee Report

Ms. Thorington gave an update from the recent meeting of the BDS Demolition Subcommittee and reviewed the Demolition Subcommittee handouts. The subcommittee agreed to move forward with the voluntary *Demolition Courtesy Notice (Revised)* and the *Recommended Steps for Posting Courtesy Notice*. The demolition website will go live by July 1st and will provide a wealth of information related to demolition regulations.

Ms. Thorington noted that the handout *Major Alterations Program Guide* is in early draft form and will go through further revisions.

Mr. Hasenberg asked how to submit input on demolitions. Mr. Fish said that input should be directed either to the Demolition Subcommittee or Ms. Thorington.

Demolition Forum

Mr. Fish said that several people present at the DRAC meeting had attended a recent forum on demolitions, and he asked them to share their perspectives from the discussion at the forum. Jill Grenda (BDS) said that she provided the technical portion of the presentation at the forum. She tried to emphasize that BDS does not have significant control over the demolition delay requirement, but could impact requirements for demolition notice. She stressed that the Zoning Code rules regarding building setbacks and other issues related to demolitions are long-standing and not subject to BDS influence.

Shawn Wood (BPS) said that close to 200 people attended the forum, and most of the attendees had been impacted by demolitions in some way. He felt that much of the concerns were related to the scale and compatibility of structures being built after demolitions – larger and out of character with surrounding structures. Forum attendees submitted written questions, which have just been transcribed and compiled by City staff. They will be addressed by staff shortly.

DRAC Member Maxine Fitzpatrick said she didn't realize that the issue was so contentious until she attended the forum. She was asked to address the human displacement that demolitions can cause. She said that attendees were concerned about the impact of demolitions not only on immediate neighbors, but on the larger community. She is hopeful that the disparate views expressed at the forum can come together, find common interests, and reach agreement.

Mr. Fish said that he attended the forum and felt it was a great first step.

Neighborhood Perspective

Mr. McCullough addressed DRAC members on his perspectives regarding demolitions. He gave context on the Neighborhood Association structure and history and summarized neighborhood concerns regarding demolition practices. What causes the most problems are inexperienced or inappropriate developers who don't follow the rules. SE Uplift is getting a lot of calls related to demolitions. A sample case is a demolition in Eastmoreland that generated calls because the developer started work very early in the morning; the developer had all the appropriate permits and was following code. Mr. McCullough said that he believes that in other cases, demolitions are taking place without appropriate permits.

Mr. McCullough said that the lack of notice regarding demolitions is also causing problems, and there are issues with substantial teardowns being classified as remodels.

Mr. McCullough distributed and reviewed the handout *Neighborhood Demolition Initiative*, which was adopted by the Eastmoreland and Woodstock Neighborhood Associations and the SE Uplift Board of Directors. The handout summarizes those groups' perspective and requests related to the demolition process and code requirements. Mr. Fish said that the document will be reviewed and discussed by the DRAC Demolition Subcommittee.

Ms. Kincaid said she was at the forum and it was good, but some groups and geographic areas that should have been present were not. She said that health concerns are a big issue. She is encouraged that discussions with all stakeholders are ongoing and making progress in increasing understanding and dialogue. She encouraged neighborhood representatives to contact her or Claire Carder. Mr. McCullough said that he is also available for contact.

Mr. Colas asked whether the demolition problems are related strictly to SFRs, or commercial structures as well. Mr. Scarlett replied that the rules for commercial demolition are different, and the current concerns are related to residential demolition.

ITAP Customer Service Advisory Committee

Paul mentioned that since Keith Skille is no longer a DRAC member, BDS is looking for an additional ITAP Customer Service Advisory Committee (CSAC) member from the DRAC. He urged DRAC members to contact Mark Feters (BDS) if interested. Rebecca Sponsel (BDS ITAP Manager) gave a brief status update on ITAP.

Next DRAC Meeting: Thursday, July 17, 2014, 8:00 a.m. - 9:30 a.m.

Minutes prepared by Mark Feters, BDS