



City of  
**PORTLAND, OREGON**

Development Review Advisory Committee

**Development Review Advisory Committee**  
**Meeting Minutes**  
**Thursday, April 21, 2016**

**Attendees:**

**DRAC Members Present:**

Claire Carder	Hermann Colas	Maxine Fitzpatrick
Michael Harrison	Rob Humphrey	Maryhelen Kincaid
Christopher Kopca	Jennifer Marsicek	Kirk Olsen
Mitch Powell	Joe Schneider	Justin Wood

**City Staff Present:**

Ross Caron, BDS	Cindy Dietz, Water	Rebecca Esau, BDS
Matt Grumm, Comm. Saltzman's Office		Elshad Hajiyev, BDS
Kurt Krueger, PBOT	Trang Lam, Parks	Mike Liefeld, BDS
Theresa Marchetti, ONI	Tim Morris, BDS	Mitch Nickolds, BDS
Kyle O'Brien, BDS	Dora Perry, BDS	Andy Peterson, BDS
Janell Piercy, BDS	Elisabeth Reese-Cardigan, BES	
Paul Scarlett, BDS	Deborah Sievert Morris, BDS	
Paul Van Orden, ONI	Shawn Wood, BPS	

**Guests Present:**

Nick Daniken, Builder  
Peter Johnson, Far Southwest  
Barbara Kerr, United Neighborhoods for Reform  
George Vranos, Far Southwest

**DRAC Members Absent:**

David Humber Dana Krawczuk

**Handouts**

- Draft DRAC Meeting Minutes 3/17/2016
- Inter-Bureau Code Change Project List
- Non-Cumulative Cost Recovery Report
- BDS Major Workload Parameters
- Draft BDS Fee Changes
- BDS Fee Examples

## **Convene Meeting**

DRAC Chair Maryhelen Kincaid convened the meeting and welcomed DRAC members and guests. She introduced new DRAC Member Mitch Powell, who will be filling the Home Remodelers position. DRAC members reviewed and approved minutes from the March 17, 2016 DRAC meeting.

## **Director's Report**

BDS Director Paul Scarlett said that BDS is very busy and continuing to do well financially. BDS's financial reserve is growing, but the bureau is still struggling to fill staff vacancies. This continues to be a major focus, along with providing excellent customer service. BDS had 23.5 additional staff positions approved in the City's 2016 Spring Budget Monitoring Process (BMP). There is a very competitive market for potential employees.

## BDS Fees Update

While BDS generally does not reduce fees, the bureau's strong reserves allow for a proposed 3% across-the-board fee reduction for 2016-17, excluding only Environmental Soils fees. This will amount to approximately \$700,000 less in revenues for 2016-17. Mr. Scarlett referenced the handouts **Draft BDS Fee Changes** and **BDS Fee Examples**. The proposed reduction would not apply to minimum fees and would affect only BDS fees; however, there could be indirect savings in other fees that are calculated as a percentage of BDS fees.

BDS Finance Manager Elshad Hajiyev said that the bureau is adding about a million dollars a month to reserves. Mr. Scarlett explained that the bureau's biggest expense is personnel, including salaries, benefits and overhead. BDS currently has 43.5 staff vacancies. There are also substantial costs for ITAP. DRAC Member Hermann Colas asked whether BDS reserves contribute to non-profit programs identified by City Commissioners. Mr. Scarlett replied that BDS monies are used for BDS programs, and permit revenues can support building programs only.

DRAC Member Rob Humphrey asked how BDS is doing in the hiring process. Mr. Scarlett answered that the hiring process takes about four months to complete; the bureau has to be mindful of the City's administrative rules and ensure that recruitments are fair and open. For some time, BDS has been paying the Bureau of Human Resources (BHR) for an HR analyst to assist the bureau in the recruitment and hiring process.

## BDS Public Information & Enforcement Services Division

Mr. Scarlett announced BDS's new Public Information and Enforcement Services Division, with Ross Caron appointed as temporary Division Manager. Mr. Caron distributed and reviewed the handout **Public Information and Enforcement Services Division Introduction**. The new division merges the bureau's Customer Service & Communications Section with the Enforcement Program and a new Code & Policy Development Section. Mr. Caron introduced himself and talked about his background in BDS. He explained that the realignment of functions highlights the bureau's commitment to providing information, increasing access and expanding outreach and engagement services provided to the community. Adding the Enforcement Program will realize efficiencies through combining the Bureau's building code official responsibilities with its building code and policy development functions and the building code appeals program. Ms. Kincaid added that she has long been in favor of these functions being combined.

### Distressed Properties and Foreclosure Update

Enforcement Program Manager Mike Liefeld updated the DRAC on the Extremely Distressed Properties Enforcement Program (EDPEP) and the foreclosure process. There are about 60 active EDPEP cases and another 50 in the queue. EDPEP has two staff members, and BDS is asking for increased funding.

The foreclosure process is a necessary tool for enforcement when all other options have been exhausted. Lien foreclosure authority exists under State law and City Code. BDS always attempts to work with property owners and occupants to get violations corrected.

BDS receives minimal General Fund support for enforcement work, and currently has an uncollected lien balance of \$22 million. Mr. Liefeld discussed lien and foreclosure issues.

BDS Sr. Business Operations Manager Deborah Sievert Morris referenced the handouts **Non-Cumulative Cost Recovery Report** and **BDS Major Workload Parameters**.

### **DRAC Subcommittee Updates**

#### Demolition Delay

Nancy Thorington (BDS) said that the demolition code was amended about a year ago, and the subcommittee had a couple of meetings to see how the changes are working. BDS is working with the Office of Neighborhood Involvement (ONI) on the notification piece, working on code language to make sure the definition in code is intentionally broad, and meeting to see where language needs to be tweaked. Work is being done on an asbestos requirement and how to conduct an asbestos survey. There have been ten demolition delay appeals in the year since the demolition code was amended; six were approved and four were denied. The consensus is that it's working. BDS will be reporting back to the City Council in June and will probably make some minor changes to the ordinance. ONI has a proposed process for notification and expects it to be operative in about three months.

There were no updates from the Traffic Signals and Development Fees subcommittees.

### **Fee Updates from City Development Bureaus**

#### Tree Permits / Tree Code

Jenn Cairo (Parks / Urban Forestry) reviewed the handouts **Proposed Title 11, Trees Fee Schedule FY 16-17** and **Title 11 Fee Schedule – Research**. The fee updates were proposed by staff and reviewed by Commissioner Fritz. Currently Urban Forestry receives General Fund support, and the existing fees do not provide full cost recovery; the proposed fee increases would attempt to reach full cost recovery. DRAC Member Justin Wood asked if Forestry was relying on the applicant's reporting of tree size. BDS Land Use Services Manager Rebecca Esau responded that staff does rely on applicants, but if challenged they will have field staff confirm. Mr. Wood said he would try to get word out to the developers to make every attempt to be accurate. Ms. Cairo said they would also respond to reported violations. Ms. Cairo clarified that this does not apply to dead or dying trees.

DRAC Member Mitch Powell agreed with Mr. Wood that he would rather pay an additional fee for random inspection than inflated fees for an arborist to check every application. DRAC Member Chris Kopca asked about designated street trees; Ms. Cairo responded that if there are unapproved trees (by species) they have to be mitigated. Mr. Kopca said that if there is an uplifting street tree on a property, the owner has to choose between being fined for taking it down or making sidewalk repairs every two to three years. Ms. Cairo said that Forestry does allow for trees to be removed, but there is a heavy fine.

#### Water Bureau

Cindy Dietz (Water) provided preliminary estimates of increases for specific fee types for FY 2016-17:

- Residential building permit plan review fees will increase about \$10.
- Commercial building permit plan review fees will increase about \$5.
- New change order fee (applies when water work fees have been received and work orders have already been created) - approximately \$35.
- Land use review fees will increase about \$5.
- Backflow inspection and testing of new installations – Currently, the fee applies regardless of size of service. The proposed new fee will result in two cost tiers – 1) service size 2" and smaller, and 2) service size larger than 2". The cost for Tier 1 will be about half the cost for Tier 2.
- System Development Charges (SDCs) will increase about 2-3%.
- Installation costs for 1" domestic water meter will increase about \$150 (about 3%).
- Installation costs for larger domestic water meters will increase by about 4%.
- Installation costs for fire lines will increase about 3-6%, depending on the size of fire line.

#### Noise Control

Theresa Marchetti and Paul Van Orden from the Office of Neighborhood Involvement (ONI) reviewed the handout **Noise Variance and Other Fees Schedule**. Commissioner Fritz would like to move the Noise Control program to 75% cost recovery, leading to substantial proposed fee increases. The proposed fees are applicable when work occurs outside of the Monday through Saturday, 7 a.m. to 6 p.m. standard timeframe. The proposed fee schedule will be sent to City Council for comment. Noise Control has received feedback that after variances are granted there should be more monitoring of compliance. They will be looking to increase staff as they move toward cost recovery and will mail notification to the last two years of permittees.

DRAC Member Michael Harrison asked whether the fee schedule would be applied objectively or subjectively. Mr. Van Orden said it would be objective, and that to trigger a full review there would have to be substantial non-compliance. If complaints are received over a period of time, it could trigger a substantial review of the noise variance. DRAC Member Joe Schneider remarked that the proposed fees were a dramatic increase in the fee structure, and he wondered if this was to curb activity. Mr. Van Orden replied that noise variances usually have conditions, and the additional fees will enable more monitoring. Mr. Powell asked if there were differences in what is allowed based on zoning. Ms. Marchetti replied affirmatively and said that residential zoning is different from commercial when dealing with noise variances.

Matt Grumm (Commissioner Saltzman's Office) said that there will be a very robust discussion when the proposed fees go to the City Council. The Noise Control program hopes to add one more inspector and extend their one administrative staff position.

### **Deconstruction Code Proposal**

Shawn Wood (BPS) reviewed the handout **Proposed Deconstruction Requirements Code Language**. In February 2016 the City Council directed BPS to develop code language that requires projects seeking a demolition permit for a one or two-family structure to fully deconstruct that structure if it was built before 1917 or is a designated historic resource. The City Council will consider the proposed code language on June 29, 2016, with the approved code taking effect in October 2016. The code language provides a framework for deconstruction and salvage requirements as well as enforcement.

DRAC Member Claire Carder remarked that this was ambitious and wondered whether any other jurisdictions or cities were doing this. Mr. Wood replied that Portland is taking the lead, and there is a lot of local interest. The Deconstruction Advisory Group (DAG) has members from Seattle and Vancouver BC.

There will be a grant program that will take some risk out of deconstruction and may help with using actual job sites for training. Ms. Carder asked whether there was data on the costs of deconstruction. Mr. Wood replied that there will be an additional cost that will probably pass on to the end buyer. Hopefully over time those costs will decrease. DRAC Member Maxine Fitzpatrick inquired about what the outreach program would encompass. Mr. Wood said they will be working with a consultant (Kelly Ames) on this. Ms. Fitzpatrick suggested they expand to other community based organizations.

Mr. Powell volunteered to join the DAG; he said that he is concerned about affordable housing and deconstruction may be in opposition to that.

Mr. Schneider asked whether the condition of the house was relevant; Mr. Wood said the assumption is that homes built in 1916 or earlier should all be deconstructed, but the exemption program will address exceptions. Mr. Powell commented that the landfill doesn't necessarily recycle; Mr. Wood agreed that a lot of the material doesn't get recycled and there are limited amount of sorting, but dirty wood mostly goes to the landfill.

### **Stormwater Management Manual**

Amber Clayton (BES) reviewed the handout **Proposed Changes to the Stormwater Management Manual**. The project is currently in a public comment period until May 6, 2016. The proposed changes will remove source control and move it to its own manual. Language is being tightened up to be clear about what is required for development. There are no major code changes, but the manual will be shorter and easier to understand.

**Permit Expiration Program Update**

Janell Piercy and Tim Morris (BDS Residential Combination Inspections) gave an update on the Residential Reactivation Permit Program, which was launched in October 2015. A sample letter was distributed with individual permit information and an explanation of how the permit holder should proceed. Going back to January 2009, 686 permit holders were sent letters. If a response is received, an inspector goes out and looks at all open permits on that site. 326 permits have been resolved, 85 are active, and there was no response from 255 permit holders.

**Pulse of the Industry**

This item was postponed due to time constraints.

**Upcoming City Council Items of Interest**

This item was postponed due to time constraints.