



CITY OF  
**PORTLAND, OREGON**

**Dan Saltzman, Commissioner**  
1221 S.W. 4<sup>th</sup> Avenue, Room 230  
Portland, Oregon 97204  
Telephone: (503) 823-4151  
Fax: (503) 823-3036  
dan@portlandoregon.gov

October 3, 2011

**TO:** Mayor Sam Adams  
Commissioner Nick Fish  
Commissioner Amanda Fritz  
Commissioner Randy Leonard  
City Auditor LaVonne Griffin-Valade  
Bob Tomlinson, Bureau of Financial Planning

**FROM:** Dan Saltzman   
Commissioner of Public Affairs

**SUBJECT:** Budget Monitoring Report - Fall 2011-12

Attached is the Fall 2011-12 Budget Monitoring Report for the Bureau of Development Services.

The report includes the following requests:

- 1. A grant from Oregon Military Department, Office of Emergency Management for the FY 2010 State Homeland Security Program (\$60,000)**  
The City of Portland Office of Emergency Management applied to Oregon Military Department, Office of Emergency Management for a grant in the amount of \$129,000 for Preparedness Planning for the FY 2010 State Homeland Security Grant April 2010. The Oregon Military Department, Office of Emergency Management notified the City of Portland that it will award a grant for the FY 2010 State Homeland Security Grant to the Bureau of Development Services for records digitization. The Oregon Office of Emergency Management will reimburse the City for a records digitization microfiche scan station expenses not to exceed the awarded amount of \$60,000. The grant period is May 1, 2011 through December 31, 2012. This technical adjustment amends bureau's budget to include the grant.
- 2. Tree Program (\$57,000)**  
The City Council recently adopted a new comprehensive set of tree regulations. The two primary bureaus charged with administering the new regulations are the Parks Bureau and BDS. The new regulations were divided into two phases, with Phase I effective July 1, 2011 and Phase II effective February 1, 2013. The bulk of the substantial changes are happening in Phase II. As part of this regulatory project, it was acknowledged by City Council that a great deal of work remains to be done in fiscal year 2011-12 to prepare for the 2013 effective date. For this reason, two positions were included for fiscal year 2011-12: BDS - one 0.5 FTE City Planner II funded for one year (FY 11-12) and Parks - one 0.5 FTE Botanic Specialist II funded for one year (FY 11-12). These two positions were intended

to work very closely together and do all of the essential work that has to happen before the City's new Tree Regulations go into effect in February 2013.

BDS and Parks management has met to discuss the list of duties that need to be accomplished during fiscal year 2011-12, and the coordination that would need to happen between the two half-time positions in our respective bureaus. We concluded that the two half-time positions should be combined reclassified to the Program Coordinator.

The position would be located in BDS. This technical adjustment would move the money (\$57,000) to BDS.

**3. Rent Payment to BDS from Bureau of Environmental Services (BES) (\$4,014)**

The interagency for BES to make rent payments to BDS needs to be increased by \$4,014 to account for the additional space occupied by BES on the 4<sup>th</sup> floor of 1900 Building.

**4. Landlord Training IA with Fire Bureau (\$7,000)**

BDS's interagency with the Fire Bureau to partner and to provide financial support and sponsorship for the 8 sessions of the FY 2011-12 Landlord Training Program and outreach to residential landlords and property managers.

**5. Senior Engineer Position (\$78,701, cost for seven months, effective 12/2011)**

Bureau restructuring in response to the economic recession resulted in a single Supervising Engineering position and the need for a Senior Engineer with structural expertise to supervise and provide leadership for the structural engineering work team. The Senior Engineer position was initially created as a limited term position in consideration of the economic uncertainty at the time. Staffing, workload, and revenue have since stabilized and the Bureau now anticipates retaining the Senior Engineer position as a permanent position.

**6. Senior Management Analyst Position (\$65,667, cost for seven months, effective 12/2011)**

The Senior Management Analyst Position was initially created as a limited term position in consideration of the economic uncertainty at the time. The position's focus is on analysis, development, and implementation of Enforcement Program improvements focused on increasing program efficiencies and effectiveness, and serving as the bureau's liaison to neighborhoods and other organizations on enforcement issues. Staffing, workload, and revenue have since stabilized and the Bureau now anticipates retaining the Senior Management Analyst position as a permanent position.

If you have any questions, please contact Denise Kleim in the Bureau of Development Services at 823-7338.

# BUDGET AMENDMENT REQUEST

Bureau of Development Services

PERIOD Fall BuMP

FISCAL YEAR FY 2011-12

## **DS\_001 - Grant from Oregon Military Department - SHSG**

The City of Portland Office of Emergency Management applied to Oregon Military Department, Office of Emergency Management for a grant in the amount of \$129,000 for Preparedness Planning for the FY 2010 State Homeland Security Grant April 2010. The Oregon Military Department, Office of Emergency Management notified the City of Portland that it will award a grant for the FY 2010 State Homeland Security Grant to the Bureau of Development Services for records digitization. The Oregon Office of Emergency Management will reimburse the City for a records digitization microfiche scan station expenses not to exceed the awarded amount of \$60,000. The grant period is May 1, 2011 through December 31, 2012. This technical adjustment amends bureau's budget to include the grant.

Dollar Amount: \$60,000  
Type: Technical Adjustment  
Resources: Grants

## **DS\_002 - Tree Program**

The City Council recently adopted a new comprehensive set of tree regulations. The two primary bureaus charged with administering the new regulations are the Parks Bureau and BDS. The new regulations were divided into two phases, with Phase I effective July 1, 2011 and Phase II effective February 1, 2013. The bulk of the substantial changes are happening in Phase II. As part of this regulatory project, it was acknowledged by City Council that a great deal of work remains to be done in fiscal year 2011-12 to prepare for the 2013 effective date. For this reason, two positions were included for fiscal year 2011-12: BDS - one 0.5 FTE City Planner II funded for one year (FY 11-12) and Parks - one 0.5 FTE Botanic Specialist II funded for one year (FY 11-12). These two positions were intended to work very closely together and do all of the essential work that has to happen before the City's new Tree Regulations go into effect in February 2013.

BDS and Parks management has met to discuss the list of duties that need to be accomplished during fiscal year 2011-12, and the coordination that would need to happen between the two half-time positions in our respective bureaus. We concluded that the two half-time positions should be combined reclassified to the Program Coordinator.

The position would be located in BDS. This technical adjustment would move the money (\$57,000) to BDS.

Dollar Amount: \$57,000  
Type: Technical Adjustment  
Resources: Internal Transfer

## **DS\_003 - Rent Payment to BDS from BES**

The interagency for BES to make rent payments to BDS needs to be increased by \$4,014 to account for the additional space occupied by BES on the 4th floor of 1900 Building.

Dollar Amount: \$4,014  
Type: Technical Adjustment  
Resources: Internal Transfer

# BUDGET AMENDMENT REQUEST

Bureau of Development Services

PERIOD Fall BuMP

FISCAL YEAR FY 2011-12

## **DS\_004 - Landlord Training IA with Fire Bureau**

BDS's interagency with the Fire Bureau to partner and to provide financial support and sponsorship for the 8 sessions of the FY 2011-12 Landlord Training Program and outreach to residential landlords and property managers.

Dollar Amount: \$7,000  
Type: Technical Adjustment  
Resources: Internal Transfer

## **DS\_005 - Senior Engineer Position**

Bureau restructuring in response to the economic recession resulted in a single Supervising Engineering position and the need for a Senior Engineer with structural expertise to supervise and provide leadership for the structural engineering work team. The Senior Engineer position was initially created as a limited term position in consideration of the economic uncertainty at the time. Staffing, workload, and revenue have since stabilized and the Bureau now anticipates retaining the Senior Engineer position as a permanent position.

Dollar Amount: \$0  
Type: New Request  
Resources: Bureau Contingency

## **DS\_006 - Senior Management Analyst Position**

The Senior Management Analyst Position was initially created as a limited term position in consideration of the economic uncertainty at the time. The position's focus is on analysis, development, and implementation of Enforcement Program improvements focused on increasing program efficiencies and effectiveness, and serving as the bureau's liaison to neighborhoods and other organizations on enforcement issues. Staffing, workload, and revenue have since stabilized and the Bureau now anticipates retaining the Senior Management Analyst position as a permanent position.

Dollar Amount: \$0  
Type: New Request  
Resources: Bureau Contingency

## Prior Year Fund Reconciliation Report

	FY 2010-11 Revised Budget	FY 2010-11 Year-End Actuals	Percent of Actuals to Revised
<b>203 - Development Services Fund</b>			
<b>EXPENDITURES</b>			
Personal Services	16,470,096	15,689,324	95.26
External Materials and Services	5,570,072	639,221	11.48
Internal Materials and Services	6,365,168	6,062,683	95.25
Capital Outlay	10,000	7,500	75.00
Bond Expenses	2,235,953	2,182,106	97.59
Fund Transfers - Expense	2,357,482	2,357,482	100.00
Contingency	1,982,094	0	0.00
<b>TOTAL EXPENDITURES</b>	<b>34,990,865</b>	<b>26,938,316</b>	<b>76.99</b>
<b>REVENUES</b>			
Budgeted Beginning Fund Balance	410,309	0	0.00
Licenses & Permits	17,151,773	16,275,532	94.89
Charges for Services	5,814,281	6,008,539	103.34
Intergovernmental Revenues	0	4,049	0.00
Interagency Revenue	1,116,655	1,069,435	95.77
Fund Transfers - Revenue	1,907,356	1,907,356	100.00
Bond and Note	6,703,552	1,500,000	22.38
Miscellaneous	1,886,939	1,894,972	100.43
<b>TOTAL REVENUES</b>	<b>34,990,865</b>	<b>28,659,883</b>	<b>81.91</b>

### **Fund Reconciliation Narrative**

In the FY 2010-11 budget development process, \$5.2 million in costs for the bureau's Information Technology Advancement Project (ITAP) were budgeted in "External Materials and Services"; funding for the project in the same amount was budgeted under "Bond and Note". During late FY 10-11, BDS re-evaluated the project direction and it was decided that a Request for Proposal was the appropriate route. Therefore the funds for a contract were not expended in FY 10-11.

ITAP is proceeding however. Already much work has been done to review business practices and then map those processes, so BDS will be ready for the selected vendor to begin work. In addition the BDS Finance Committee, an advisory committee composed of local economic and real estate experts, reviewed the bureau's revenue projections, contributed their advice and were satisfied with the outcome of the projections.

The project is also being reviewed by the ITAP Customer Advisory Committee (BDS committee) and the Information Technology Oversight Committee (City-wide committee). The ITAP CAC has been meeting monthly since June, 2011, and meetings will continue through the life of the IT Advancement Project. ITOC held its first meeting in September and will review the project in the coming months.

In early October, City Council will hear an ordinance which would authorize the publication of a Request for Proposals (RFP). If the ordinance passes, publication of the RFP is slated for late October, and then interested vendors will submit proposals by the end of December.

## Prior Year Business Area Reconciliation Report

	FY 2010-11 Revised Budget	FY 2010-11 Year-End Actuals	Percent of Actuals to Revised
<b>Bureau of Development Services</b>			
<b>EXPENDITURES</b>			
Personal Services	\$16,470,096	\$15,699,274	95%
External Materials and Services	\$5,570,072	\$643,270	12%
Internal Materials and Services	\$6,365,168	\$6,062,683	95%
Capital Outlay	\$10,000	\$7,500	75%
Bond Expenses	\$2,235,953	\$2,182,106	98%
Fund Transfers - Expense	\$2,357,482	\$2,357,482	100%
Contingency	\$1,982,094	\$0	0%
<b>TOTAL EXPENDITURES</b>	<b>\$34,990,865</b>	<b>\$26,952,316</b>	<b>77%</b>
<b>REVENUES</b>			
Budgeted Beginning Fund Balance	\$410,309	\$0	0%
Licenses & Permits	\$17,151,773	\$16,275,532	95%
Charges for Services	\$5,814,281	\$6,008,539	103%
Intergovernmental Revenues	\$0	\$4,049	0%
Interagency Revenue	\$1,116,655	\$1,069,435	96%
Fund Transfers - Revenue	\$1,907,356	\$1,907,356	100%
Bond and Note	\$6,703,552	\$1,500,000	22%
Miscellaneous	\$1,886,939	\$1,894,972	100%
<b>TOTAL REVENUES</b>	<b>\$34,990,865</b>	<b>\$28,659,883</b>	<b>82%</b>

### Bureau Reconciliation Narrative

In the FY 2010-11 budget development process, \$5.2 million in costs for the bureau's Information Technology Advancement Project (ITAP) were budgeted in "External Materials and Services"; funding for the project in the same amount was budgeted under "Bond and Note". During late FY 10-11, BDS re-evaluated the project direction and it was decided that a Request for Proposal was the appropriate route. Therefore the funds for a contract were not expended in FY 10-11.

ITAP is proceeding however. Already much work has been done to review business practices and then map those processes, so BDS will be ready for the selected vendor to begin work. In addition the BDS Finance Committee, an advisory committee composed of local economic and real estate experts, reviewed the bureau's revenue projections, contributed their advice and were satisfied with the outcome of the projections.

The project is also being reviewed by the ITAP Customer Advisory Committee (BDS committee) and the Information Technology Oversight Committee (City-wide committee). The ITAP CAC has been meeting monthly since June, 2011, and meetings will continue through the life of the IT Advancement Project. ITOC held its first meeting in September and will review the project in the coming months.

In early October, City Council will hear an ordinance which would authorize the publication of a Request for Proposals (RFP). If the ordinance passes, publication of the RFP is slated for late October, and then interested vendors will submit proposals by the end of December.

## **BUREAU OF DEVELOPMENT SERVICES**

### **Report on FY 2010-11 Budget Notes and Add Packages**

#### **FY 2010-11 Budget Note**

As a first step towards funding a new online permitting system, Council directs the Bureau of Development Services to update its Five-Year Financial Plan for FY 2010-11 to FY 2014-15 to include a cost/benefit analysis of the new system and set aside sufficient resources to meet future debt service requirements. This analysis should take into account all of the bureaus that will use the new system. BDS must present the new Five-Year Financial Plan to Council, and Council must approve it, before BDS expends any additional funding for the new permitting system. The Council must separately approve of moving forward with the new permitting system before any expenditures are made or loans received. The CAO will also convene 5 to 7 people with expertise in commercial and residential real-estate, including a member of SBAC and DRAC, to take into consideration current and future development activity as it relates to BDS's ability to meet debt service requirements.

#### **Update**

In September 2010, the Office of Management and Finance convened a committee to review the financial feasibility of ITAP. This Committee, supported by OMF City staff, included five members with economic and real estate background and expertise from organizations such as the PDC Small Business Advisory Committee, independent economic consultants, Portland State University staff, and others. Committee members provided their insights into the current economic situation and contributed a number of ideas for the financial projections during three meetings in September and October 2010. All members of the Committee gave a solid and positive endorsement to the financial feasibility of implementing ITAP. In addition the Office of Management and Finance endorsed the work reviewed by the Committee.

Recently the Committee was renamed the BDS Finance Committee. On August 15, 2011 it was reconvened to review more current financial forecasts. Members reviewed the bureau's revenue projections, contributed their advice, and were satisfied with the outcome of the projections. The Committee will continue to meet periodically to review current economic indicators and information.

#### **FY 2010-11 Decision Packages**

##### **DS\_01 – Cut Vacant Positions**

###### Description

In FY 2009-10, BDS was confronted with an unprecedented decline in permit revenues and workload due to the ongoing economic downturn. After instituting a variety of cost-cutting measures, the bureau was finally compelled to reduce staff in order to remain financially solvent. This package removes 131 of those already vacant positions from the bureau, for a reduction of \$9.9 million.

###### Expected Results

These are the positions where the staff has already been laid off or transferred; these are not additional cuts.

###### **Update**

The reduction package was implemented.

# Bureau of Development Services

## Performance Measures

Performance Measure	Type	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2012-13
		Year-End Actuals	Year-End Actuals	Revised Budget	Performance No Dec Pkg	Performance With Dec Pkg
DS_0001 - Commercial inspections	WORKLOAD	51,080	47,076	43,000	0	0
DS_0002 - Number of inspections per day, per inspector	EFFECTIVE	17.01	15.84	16.00	0.00	0.00
DS_0003 - Percent of inspections made within 24 hours of request	EFFECTIVE	98%	92%	98%	0%	0%
DS_0004 - Enforcement cases prepared and presented to code hearings officer	WORKLOAD	2	2	6	0	0
DS_0005 - Zoning code violation statistics (cases, inspections, and letters)	WORKLOAD	3,041	2,501	3,000	0	0
DS_0006 - Home occupation permits	WORKLOAD	142	132	114	0	0
DS_0007 - Number of properties assessed code enforcement fees	WORKLOAD	181	206	310	0	0
DS_0008 - Residential inspections	WORKLOAD	79,931	77,018	90,000	0	0
DS_0009 - Number of inspections per day, per inspector	EFFECTIVE	22.43	24.52	22.00	0.00	0.00
DS_0010 - Percent of inspections made within 24 hours of request	EFFECTIVE	78.3%	80.0%	85.0%	0.0%	0.0%
DS_0011 - Number of inspection trips reduced due to multi-certified inspectors	EFFICIENCY	16,895	16,145	20,700	0	0
DS_0012 - Land Use Review and Final Plat Applications	WORKLOAD	587	560	550	0	0
DS_0013 - Zoning plan checks processed or in process	WORKLOAD	3,814	4,286	4,700	0	0
DS_0014 - Noise violation inspections	WORKLOAD	249	111	150	0	0
DS_0015 - Noise variances processed	WORKLOAD	491	485	476	0	0
DS_0016 - Nuisance inspections	WORKLOAD	7,025	5,210	7,900	0	0
DS_0017 - Housing/derelict buildings inspections	WORKLOAD	4,305	2,857	5,000	0	0
DS_0018 - Number of housing units brought up to code as a result of Neighborhood Inspection Division efforts (includes enhanced inspection pilot beginning in 2010-11)	EFFECTIVE	1,100	1,249	1,450	0	0
DS_0019 - Number of properties cleaned up	EFFECTIVE	3,602	2,904	3,360	0	0
DS_0020 - Building permits - commercial	WORKLOAD	2,967	3,060	3,000	0	0
DS_0021 - Building permits - residential	WORKLOAD	4,443	4,430	4,350	0	0
DS_0022 - Total building permits (commercial and residential)	WORKLOAD	7,410	7,490	7,350	0	0
DS_0023 - Electrical permits	WORKLOAD	14,341	14,283	16,120	0	0
DS_0024 - Mechanical permits	WORKLOAD	9,929	10,164	10,400	0	0
DS_0025 - Plumbing permits	WORKLOAD	9,634	8,984	9,464	0	0
DS_0026 - Sign permits	WORKLOAD	807	795	950	0	0
DS_0027 - Percent of building permits issued over the counter the same day as intake	EFFICIENCY	60%	61%	63%	0%	0%
DS_0028 - Pre-issuance checks completed within two working days of last review approval	EFFICIENCY	71.0%	71.0%	75.0%	0.0%	0.0%
DS_0031 - Site development plan reviews	WORKLOAD	1,015	1,239	1,450	0	0
DS_0032 - Average number of working days to first review	EFFECTIVE	18.70	12.75	11.50	0.00	0.00
DS_0034 - Percent of residential plans reviewed by all bureaus within scheduled end dates	EFFECTIVE	88%	87%	80%	0%	0%
DS_0035 - Percent of commercial plans reviewed by all bureaus within scheduled end dates	EFFECTIVE	82%	74%	75%	0%	0%
DS_0037 - Noise code violation cases	WORKLOAD	747	607	700	0	0
DS_0040 - Housing intakes	WORKLOAD	1,241	1,323	1,500	0	0
DS_0041 - Nuisance intakes	WORKLOAD	4,625	4,400	6,000	0	0
DS_0042 - Code Enforcement fee waiver requests	WORKLOAD	202	159	176	0	0
DS_0043 - Code Enforcement fee waivers granted	EFFECTIVE	192	159	160	0	0

# Bureau of Development Services

## Performance Measures

<b>Performance Measure</b>	<b>Type</b>	<b>FY 2009-10 Year-End Actuals</b>	<b>FY 2010-11 Year-End Actuals</b>	<b>FY 2011-12 Revised Budget</b>	<b>FY 2012-13 Performance No Dec Pkg</b>	<b>FY 2012-13 Performance With Dec Pkg</b>
DS_0044 - Number of Housing Units Inspected (includes enhanced inspection pilot beginning in 2010-11)	WORKLOAD	2,483	2,398	2,400	0	0
DS_0045 - Site Development Permit Inspections	WORKLOAD	497	291	347	0	0
DS_0046 - Site Development Land Use Cases Reviews	WORKLOAD	635	545	558	0	0
DS_0047 - Sanitation Permits & Evaluations Issued	WORKLOAD	334	387	392	0	0

### Performance Measure Variance Descriptions



**City of  
Portland, Oregon  
Bureau of Development Services**

1900 SW 4th Avenue, Suite 5000  
Portland, Oregon 97201  
503-823-7300  
Fax 503-823-6983  
TTY 503-823-6868  
[www.portlandonline.com/bds](http://www.portlandonline.com/bds)

**FY 2010-11 Service Improvement Plan  
Bureau of Development Services  
Fall BuMP Update  
September 30, 2011**

The Bureau of Development Services (BDS) is committed to continuously improving its services to customers and the community. The bureau remains dedicated to this commitment in Fiscal Year (FY) 2010-11 as it copes with the serious financial challenges facing the development industry and the overall economy. BDS began implementing a variety of cost-saving measures in 2008 as permit revenues began to decline, and was eventually compelled to reduce its staff in 2009 and 2010 by over one-half in order to maintain financial stability. Since the layoffs, the bureau has been struggling to meet the workload demands.

BDS continues to communicate with customers and stakeholders regarding their needs and the bureau's ability to provide services while experiencing serious financial and staffing constraints.

In light of these realities, this Service Improvement Plan focuses on obtaining the resources that will enable BDS to continue to provide quality services to its customers and the community.

**Technology**

The budget and staff reductions at BDS have compelled the bureau to downsize and re-engineer some of its processes. In the course of reshaping the organization, it became clear that BDS's current levels of automation, transparency, and public access to information hinder the bureau's effectiveness and ability to be efficient with limited resources. The bureau had been proceeding with implementing an 18-month plan to improve its technology tools; however, significant cuts in the budget stalled this plan.

During the restructuring, the bureau identified its technology needs and analyzed technology use in other building organizations of comparable size and scope to BDS. This analysis was completed in January 2010, and a recommendation has been made to make a major investment that will significantly enhance BDS's technology tools over the next two years. BDS envisions a system that will include the following capabilities:

- Electronic access to all historic permit and land use records for customers and staff
- Online land use and permit application and plan submittal
- Electronic plan review
- Online fee payment and permit issuance
- Electronic entry of inspection results and real-time access for field staff and customers

This system will save customers and stakeholders time and money by giving them remote access to information and services, decreasing the need to visit the Development Services Center (DSC) or BDS offices. BDS will experience significant efficiency gains in its land use review, plan review, permitting, and inspection processes as it reduces its reliance on paper plans and records.

BDS is taking a request to City Council in February 2010 for funding for the Information Technology Advancement Project (ITAP). It is anticipated that funding this system will not negatively impact or take away from the bureau's operations and staffing needs. If funding is approved, the bureau expects that it will take approximately 24 months for the system to be implemented.

Status: Underway

Estimated Completion Date: 2013

Update: On March 9, 2011, City Council authorized a financing package for ITAP in the form of a line of credit not to exceed \$6.6 million, which BDS must repay with five years. Under Commissioner Saltzman's direction, BDS is preparing an ordinance (to be heard in October 2011) that will authorize the publication of an RFP (Request for Proposals) for the project. Pending approval of the ordinance, the bureau anticipates publishing the RFP in late October and receiving proposals by the end of the year.

In the meantime, ITAP staff continues to prepare for the project by reviewing bureau business practices and mapping processes.

The current scope of work and timeline estimates that ITAP will take up to two years to complete.

### **Neighborhood Inspections & Land Use Services**

The Neighborhood Inspections and Land Use Services (LUS) Programs have been underfunded and beset by deficits in their reserve funds for several years. In addition, when Neighborhood Inspections returned to BDS from ONI in FY 2006-07, it lost approximately \$750,000 in General Fund support. Coupled with BDS's budget and staffing cuts, the underfunding of these programs has led to significant negative impacts to services, including:

#### **Neighborhood Inspections**

- Eliminated live phone coverage for the BDS Enforcement Hotline.
- Prioritized complaint types in order to effectively address the most critical issues with reduced resources.
- Lengthened the response time to investigate assigned cases and reduced reinspections and case management of active cases.
- Reduced the number of violation cases referred to the Code Hearings Officer for additional enforcement remedies to gain compliance.
- Eliminated nuisance abatements, except for the most severe Fire/Life/Safety and Health/Sanitation issues.
- Suspended the Chapter 13/Systematic Inspection Program for older three-story and higher apartment houses.

- Suspended the Disabled Vehicle enforcement program.

#### LUS

- Reduced the operation of the Development Services Center (DSC) to 4 days per week.
- Eliminated Thursday Permit Night.
- Lengthened DSC wait times for customers.
- Eliminated live phone coverage for the BDS Zoning Hotline.
- Eliminated some early assistance functions that were done for no charge.
- Eliminated much of the outreach and education that was done for no charge, except by request.

Without additional funding to add staff, BDS cannot improve these services, and will have to reduce services further. In its FY 2010-11 budget request, BDS is asking for an increase of \$750,000 in General Fund support for Neighborhood Inspections and an additional \$550,000 in General Fund support for LUS, for a total of \$1.3 million in ongoing support.

Status: Request denied by Council

Estimated Completion Date: None; funding not approved.

Update: City Council did not approve BDS' request for \$1.3 million in additional ongoing General Fund support for the Neighborhood Inspections and Land Use Services programs for FY 2010-11, so the service reductions noted above remained in place. A variety of neighborhood stakeholders continued to indicate that the service reductions were negatively impacting livability issues.

In its FY 2011-12 budget request, BDS asked for additional one-time General Fund support to add 5.5 FTE to these programs. Bureau financial projections indicated that BDS would be able to support the positions from other revenues in future years. Unfortunately, this request was also not approved. However, at Commissioner Saltzman's urging, City Council subsequently approved funding for 3 FTE in the Neighborhood Inspections Program. These additional FTE will enable the Program to respond more quickly to complaints and to restore some re-inspection and case management activities.

#### **Match Staffing to Workload**

BDS cut approximately 150 staff in 2009 due to declining permit revenues and workload. However, a pattern has emerged in which permit revenues have fallen more dramatically than the workload. The bureau's fee structure has been to charge lower fees to smaller projects and higher fees to larger projects due to the presumption that fees are less affordable for smaller projects. This practice is not unique to Portland and is used by many other jurisdictions across the nation. However, the economy has halted nearly all construction of large development projects, thereby significantly reducing the bureau's revenues. As a result, BDS cut staff positions to balance the budget and now does not have sufficient staff to meet its current workload. Service levels throughout the bureau have fallen significantly, impacting bureau customers, development projects, and neighborhood livability.

To help remedy this situation, BDS is making two funding requests in its FY 2010-11 budget request: First, BDS is requesting one-time General Fund support of \$1.6 million in its FY 2010-11 budget request in order to fund the addition of 13.5 FTE. This funding will allow the addition of essential staff to bring the bureau up to minimally acceptable service levels. While the request is for one-time funding, the bureau projects that revenues will have recovered sufficiently by FY 2011-12 to continue funding the positions.

Second, BDS is requesting \$800,000 in ongoing funding that would support the addition of another 7 FTE. This request would more fully address the service level impacts being felt throughout the bureau, but there would still be delays in all services, including plan review, inspections, land use review, and code enforcement.

If one or both of these funding requests are approved, BDS will add staff positions effective July 1, 2010. In the meantime, a restructuring effort is in place to explore and implement innovative and workable solutions to many of the bureau's operational struggles, and bureau staff is working to be as responsive as possible to customers' needs.

Status: Request denied by Council

Estimated Completion Date: None; funding not approved

Update: City Council did not approve either of these requests for General Fund support for bureau staffing in FY 2010-11. Since many of the services BDS provides are mandated by State or local codes and cannot be eliminated, the lack of additional funding compelled the bureau to significantly reduce service levels throughout its operations, impacting customers and the community. The Development Review Advisory Committee (DRAC) and other stakeholders have been clear in communicating that the service reductions have made the development review process lengthier and less predictable, presenting a hindrance to development at a time when it is sorely needed.

In its FY 2011-12 Requested Budget, BDS requested City Council authorization to add up to 13 staff positions (throughout bureau programs) supported by projected increases in permit fees and other non-General Fund revenues. As noted above, the bureau also requested additional one-time General Fund support to add 5.5 positions to the Land Use and Neighborhood Inspections Programs, with costs in future years being covered by non-General Fund revenues. City Council approved the request to add 13 positions with permit revenues, but did not approve the one-time General Fund request.

Other General Fund staff adds in BDS's FY 2011-12 budget include a 0.5 FTE City Planner II to help implement the City's new Tree Code, and 3 FTE in the Neighborhood Inspections Program that were added at Commissioner Saltzman's urging.

All of these additional FTE for FY 2011-12 have improved service levels throughout the bureau by more closely matching staff levels with workload.