



City of
PORTLAND, OREGON

Development Review Advisory Committee

Development Review Advisory Committee
MINUTES
Thursday, October 9, 2008

Attendees:

DRAC Members Present:

Simon Tomkinson	Michele Rudd	Tom Skaar
Alan Beard	Bonny McKnight	Goudarz Eghtedari
Carrie Schilling	Greg Theisen	Don Geddes
Rick Michelson		

City Staff Present:

Paul Scarlett, BDS	Anne Hill, BDS	Andy Peterson, BDS
Jim Nicks, BDS	Hank McDonald, BDS	Denise Kleim, BDS
Kurt Krueger, PDOT	Eric Engstrom, Planning	Christine Leon, PDOT
Kasandra Griffin, Parks	Cindy Dietz, Water	Michael Armstrong, OSD

DRAC Members Absent:

Kathi Futornick	Dennis Wilde	John Cisneros
Steve Heiteen	Jeff Perala	Charlie Grist

Handouts

9.11.08 DRAC Minutes
Inter-Bureau Code Change Project List
Memo/Ordinance—Addition to Title 24 “Alternative Technology Advisory Committee”

Convene Meeting

Chair Simon Tomkinson convened the meeting and reviewed the meeting packet materials. The DRAC adopted the September 11th meeting minutes.

Director's Report

- BDS Director Paul Scarlett reported that BDS staff were involved in the follow up of the October 8th landslide in the SW hills. BDS engineer Doug Morgan has been assigned as the lead for the Bureau. Three houses were red tagged and two houses were yellow tagged.
DRAC member Bonny McKnight asked if there were ways to prohibit building on precarious slopes. Paul Scarlett explained that staff relies on the codes when reviewing such sites. DRAC members Michele Rudd and Rick Mickelson added that anybody can build on a site as long as they are willing to pay for the construction.
- Director Paul Scarlett noted that September was Emergency Preparedness month at the City. BDS' role in emergency management is damage assessment. The focus for staff development was a mandatory training focusing on encouraging staff to become prepared by talking with family members and assembling an emergency kit along with learning about the Bureau's role in disasters. BDS has hired Jamal Folsom to manage the emergency management program.
- Director Paul Scarlett noted that the Bureau continues focusing on green building by providing internal staff with training and by playing a pro-active role with other green building efforts.
- Director Paul Scarlett stated that the Bureau continues to hold vacancies while watching how the economy is affecting the workload. There were 42 vacancies in July. Of those, 20 positions are being held vacant indefinitely, for a current total of 40 vacant positions. DRAC member Tom Skaar asked what the FTE was in 2006 at the building peak compared to September, 2008. Director Paul Scarlett replied that there are more FTE now because in 2006 the Bureau was understaffed. Tom Skaar noted that he was somewhat dismayed to hear that the FTE remains elevated considering what is happening in the building sector.
BDS Permit Services manager Andy Peterson reported that there has been a shift from new residential construction to alterations and remodels. While the valuations have decreased due to the scope of the projects, the projects can be more complicated to review. The bureau is issuing 10 permits vs. 15-20 permits a day.

BDS Economic Update

Administrative Services manager Denise Kleim reported that through September 17, 2008 revenues were down by \$1 million from last year but that the bureau was at 100% cost recovery. Last year at this time the bureau was at 110% cost recovery. At year end in June, the bureau was at 100% cost recovery. BDS Director Paul Scarlett updated DRAC on a meeting he had attended called by Mayor-Elect Sam Adams to request that the Bureaus submit budgets with 2.5-5% cuts in the FY '09-'10 budget.

- DRAC Chair Simon Tomkinson explained that his company has had to reduce staff because normally in a 6 month period they would have 20-40 "starts" and in the last 6 months they have seen 3 "starts." He further explained that when talking with their clients, the issue has been them securing funding and financing for their projects.
- DRAC member Alan Beard noted that his company is looking at the potential of adjusting staff. Currently, there are still some larger projects on the boards.

- DRAC member Carrie Schilling noted that her company recently cut 25% of the staff because of the lack of projects.
- DRAC member Tom Skaar explained that he owns 6-7 houses that are now rented because he cannot sell them. 3 residential contractors who build outside of the City limits and area builders have filed bankruptcy in the last 60-120 days. Banks have quit lending and land continues to be too expensive. The HBA (Homebuilders Association) membership is down 25% from last year. Normally there is an 88% renewal rate. Currently, the renewal rate is at 50%.
- DRAC member Don Geddes agreed that the building volume is down in Portland by 25%. Portland Sash and Door closed their doors last week because they relied on orders from home builders. His company is sending salaried staff to Seattle to work.
- DRAC member Greg Theisen explained that on the aviation side of the Port, construction activity won't stop, including moving the Port's headquarters to the airport. On the marine side, exports are still strong. There are several large terminal projects percolating, along with some redevelopment efforts. He projected that the Rivergate project would most likely slow down.

DRAC member Don Geddes added that in the 1970s and '80s development happened at a slower rate which meant that everyone spent or invested a little bit slower. The in the 1990's if you worked in the construction industry you had to beg for a vacation because there was so much work. That pace continued into 2000 when the industry was seeing 15%--versus 3% in the 1980s—growth. That rapid growth is not ideal because the industry cannot maintain that over time.

DRAC member Rick Michaelson agreed, adding that the housing costs and values need to come into balance too.

DRAC member Bonny McKnight asked if these trends affect only construction cost or do they also affect land cost.

DRAC member Tom Skaar answered that what is happening right now is affecting both the cost of land and the cost of construction.

DRAC member Alan Beard encouraged the Bureau to continue to tighten up operations.

RICAP 4 Process

DRAC member Michelle Rudd is a Planning Commissioner and liaison to the DRAC.

DRAC member Michelle Rudd updated the DRAC on the pieces of the RICAP 4 package. The following is an update prepared by Planning Bureau staff Eric Engstrom.

Overall

Much of RICAP 4 is a follow-up to the Land Division Code Monitoring Project (which summarized the issues that have arisen after the first 5-years of implementing the 2002 land division code).

- *Planning Commission is October 14th.*
- *City Council tentative December 10th.*

Design Issues

Lot Width – clarifying how width is calculated, to measure within a defined area, rather than at the front setback only. This is being done to ensure an adequate building envelope at the setback line, which was the original intent of the land division rewrite.

Corner Lots –Adding design compatibility standards for corner lot density bonus. Will require corner lot duplex and attached housing units to share a similar design. For example, they sill have to be have similar height, exterior finish materials, window style, roof pitch.

Narrow Lots – Refine standards that govern when new lots less than 36 feet wide can be created in single family and R2.5 zones. This item will remove the curb length standard from Zoning Code, streamline creation of narrow lots that won't have off-street parking in zones with frequent transit service, disallow lots intended for detached housing narrower than 25 feet, and clarify when a garage is allowed on the front façade when the lot is narrow.

Flag Lots - Refine standards that govern when new flag lots may be created, and modify standards that apply to flag lots. This item includes allowing 3-lot partitions to include flag lots, and allowing flag lots on some vacant sites if the site is already narrow. Additional development standards include lowering building coverage and increasing open area on flag lots, and a height limit reduction on flag lots in one plan district (Glendoveer).

Economic/Business Issues

Title 4 – Implement changes mandated by Metro Title 4, governing industrial land supply. This will make it more difficult to convert industrial sanctuary and employment lands to other non-industrial uses. This proposal relates to a River Plan proposal to prohibit quasi-judicial conversions of certain prime industrial land in the Portland Harbor. We are also reducing maximum limits for retail and office uses in industrial zones, adding criteria addressing impact on freight movement for Conditional Uses, and limiting the subdivision of large industrial sites.

Division Street Retail Limits – Refine a provision that limits the size of retail uses along SE Division, to better handle re-use of existing buildings that don't meet the standard.

City Council Agenda: DRAC

DRAC Chair, Simon Tomkinson, reported that several DRAC members would be presenting an update to City Council on November 12th. The topics would include the DRAC Green Building Report, the progress of the SDC Subcommittee and the Impact Assessment game Board.

Alternative Technology Advisory Committee

BDS staff Debbie Cleek reviewed the *Addition to Title 24 "Alternative Technology Advisory Committee"* memo and ordinance. She noted that the City of Portland will be the first jurisdiction in the country to have such a venue for the industry to present green technologies for review by a panel of technical experts. The committee will be an optional process for building code appeal applicants to use prior to meeting with the appeal board. The committee will make recommendations based on their findings to the appeals board. BDS Commercial Inspections Services Manager Hank McDonald explained that the goal of the Alternative Technology Advisory Committee is to assist customers in being able to use new materials for green building. The BDS appeals board is supportive of the new committee along with City Council.

New Business

- DRAC member Tom Skaar suggested that the City look at waiving or deferring SDC (system development charge) fees as an economic stimulus. Coos bay and other jurisdictions are looking at this option. DRAC member Bonny McKnight opposed the concept because it offsets the public costs that the city cannot currently fund.
- OSD Deputy Director Michael Armstrong noted that the Green Building Policy briefing was delayed several weeks but should be scheduled for the end of the month

DRAC Meeting, Thursday November 13, 2008 7:30-9:00 a.m.
Minutes prepared by Anne Hill—October 12th, 2008