



City of
PORTLAND, OREGON

Development Review Advisory Committee

Development Review Advisory Committee
MINUTES
Thursday, April 17, 2014

DRAC Members Present:

Hermann Colas	Phil Damiano	Jeff Fish
Maxine Fitzpatrick	Steve Heiteen	Rob Humphrey
Maryhelen Kincaid	Dana Krawczuk	Kirk Olsen
Michelle Rudd	Joe Schneider	

City Staff Present:

Fred Deis, BDS	Cindy Dietz, Water	Kurt Krueger, PBOT
Elshad Hajiyev, BDS	Mitch Nickolds, BDS	Andy Peterson, BDS
Colleen Poole, BDS	Elizabeth Reese Cadigan, BES	Paul Scarlett, BDS
Deborah Sievert Morris, BDS		Rebecca Sponsel, BDS
Nancy Thorington, BDS	Riley Whitcomb, Parks	Christopher Wier, PBOT
Sue Williams, BES	Shawn Wood, BPS	

Guests Present:

Janet Baker	Ann Dufay, SE Uplift	John Hasenberg, ORA
Kimberly Koehler, Eastmoreland Neighborhood Association		
Jim Rudden, Portland Tribune		Susan Steward, BOMA

DRAC Members Absent:

Claire Carder	Dave Humber	Keith Jones
Chris Kopca		

Handouts

- DRAC Meeting Minutes 2/20/14
- Inter-Bureau Code Change List
- BDS Major Workload Parameters
- Non-Cumulative Cost Recovery Report
- Large Projects April 2014
- Cost Recovery / Reserve Details
- Inspections Audit Summary and BDS Response
- BDS Organizational Assessment Overview
- City Code Chapter 3.30 Amendments
- Draft Courtesy Notice of Residential Demolition Activity
- Demolitions, Major Remodels, & Minor Remodels
- Demolition Delay FAQs
- DRAC Mission / Role / Activities
- DRAC Work Plan
- Interagency Fee Update

Convene Meeting

DRAC Chair Jeff Fish convened the meeting and welcomed DRAC members and guests. DRAC members approved the February 20, 2014 meeting minutes with one correction; the Citywide Land Use Group does have an alternate.

Mr. Fish reminded attendees that there are two open positions on the DRAC: Design Professionals and Major Facilities Landowners. He encouraged DRAC members to refer interested parties to Mark Fetters (BDS).

Director's Report

BDS Director Paul Scarlett introduced new BDS Inspections Division Manager Mitch Nickolds, who started work this past Monday (2/17). Mr. Nickolds was hired from the City of Tukwila, and he has more than 20 years of experience in the industry. Mr. Nickolds expressed his pleasure at joining BDS and attending his first DRAC meeting.

Inspections Audit

Mr. Scarlett referenced the handout *Inspections Audit Summary and BDS Response*, which provides information on a recent audit of BDS's permit extension practices by the City Auditor's Office. The full audit report is available online at <http://www.portlandonline.com/auditor/index.cfm?c=64479&a=485530>.

Development Services Center Opening on Mondays

Mr. Scarlett confirmed that the Development Services Center (DSC) will begin opening on Mondays on April 28th. Staff additions have brought the bureau to the point where the additional day of services can be supported. Mr. Scarlett was asked about the possibility of restoring Permit Night (Thursday evening services); he said that Permit Night will not return anytime soon, but the bureau may consider it at a later date.

BDS Organizational Assessment

BDS is in the process of contracting with a consultant to perform an organizational assessment. Mr. Scarlett said that given all the changes that have take place at BDS over the last several years, it is an appropriate time to take a thorough look at the bureau's organizational health and structure. BDS has received eight proposals from interested consultants, and hopes to have a consultant begin work in mid-to-late May.

BDS Equity Manager

BDS is hoping to post a job announcement for its Equity Manager position on April 21st. The focus of the position will be on improving equity issues related to bureau services, programs, and communication. A brochure with more information was made available for those interested (see <http://www.portlandoregon.gov/bds/article/487858>). Mr. Scarlett said he feels strongly that the position will be important to BDS's success and ability to address equity issues and maintain a positive working environment.

City Code Chapter 3.30 Amendments

Nancy Thorington (BDS) gave a brief summary of proposed amendments to City Code 3.30 and reviewed the handout *City Code Chapter 3.30 Amendments*.

Financial Update

Mr. Scarlett referenced the handouts *BDS Major Workload Parameters* and *Non-Cumulative Cost Recovery Report*. The bureau's financial standing continues to be strong, allowing the continued addition of staff and service improvements throughout the bureau. BDS is excited about the new hires and what they bring to the bureau.

BDS Finance Manager Elshad Hajiyev reviewed the handouts *Large Projects April 2014* and *Cost Recovery / Reserve Details*. Last year was one of the bureau's best financially in its history, and there is a healthy pipeline of large projects coming in the door. One concern is that the growth is still fueled heavily by multi-family construction; the bureau would like to see more diversity in the types of large projects.

Almost all bureau programs are at or above their reserve goals. Reserve goals are moving targets; as program expenditures go up, reserve goals go up with them. Thus, as BDS adds staff, the reserve goals increase with the added expenditure. Mr. Hajiyev noted that approximately \$12 million of the \$28 million in current reserve funds is earmarked for the Information Technology Advancement Project (ITAP).

Mr. Fish asked if BDS has projected its staffing needs into the future. Mr. Scarlett said that staffing projections are part of BDS's required 5-Year Financial Plan, which is updated annually. In the current Financial Plan, the bureau projects total staffing to be somewhere around 300 by the end of the 5 year period. This would be slightly less than total staffing before the recession. Some of the lower staff requirements are related to efficiencies that will be realized with ITAP.

DRAC member Rob Humphrey asked whether opening the DSC on Mondays will create negative impacts for the interagency bureaus and their services. Andy Peterson (BDS) said there may be some impact as new staff go through training. Staff will also have less time at their desks to do plan review. There shouldn't be drastic changes, but there will likely be some impact on timelines for services until new staff are fully trained. Mr. Humphrey said that the new staff he has encountered are well-qualified, and he expressed thanks to BDS for adding and training new staff so quickly.

Sue Williams (BES) said they are committed to their turnaround timelines. BES and PBOT are both adding staff positions.

Demolitions

Nancy Thorington (BDS) reviewed three handouts related to demolitions: *Draft Courtesy Notice of Residential Demolition Activity*, *Demolitions, Major Remodels, & Minor Remodels*; and *Demolition Delay FAQs*. BDS will add a webpage specifically for information about demolitions, notification processes, and related services.

Mr. Fish asked about the situation where a house is mostly torn down, leaving only the foundation and minimal structure, then re-built; does that constitute a demolition or major remodel? Ms. Thorington said the building code doesn't provide guidance in that situation, so staff is working on developing parameters for delineating which category a project falls into. Mr. Peterson said that the code assumes that a demolition involves the full removal of the structure. BDS is working to create consistent processes

and guidelines so that staff knows how to approach projects. The bureau is looking for the DRAC's input on the three categories in the draft handout.

DRAC member Maryhelen Kincaid asked whether there is a financial benefit to leaving a wall and foundation and re-building, as opposed to a full tear-down. Mr. Peterson said that banks are loaning more for remodels as opposed to new construction. Kurt Krueger (PBOT) referenced a case where the developer was motivated to avoid PBOT sidewalk requirements that would apply to new construction (but not a remodel).

John Hasenberg (ORA) said there are some advantages to leaving some structure in place on the foundation; the sewer lines are there, the driveway is there. If they meet zoning requirements, property owners have the legal right to demolish and re-build what they want, unless design review is required.

Mr. Hasenberg added that his firm sometimes has to modify walls for structural reasons, even on minor remodels. He asked for better definition of the section "replacing more than 50% of exterior walls" in the *Demolitions, Major Remodels, & Minor Remodels* handout, so more benign remodels don't fall into the wrong category.

In light of the discussion, DRAC members agreed to form a subcommittee to work with Ms. Thorington on developing the categories. Subcommittee members will include Jeff Fish, Rob Humphrey, Steve Heiteen, John Hasenberg, Mitch Nickolds, and Shawn Wood (BPS).

Ms. Kincaid said that neighborhood concerns regarding demolitions revolve around notice and maintaining neighborhood character. Ms. Thorington reviewed the handout *Draft Courtesy Notice of Residential Demolition Activity* and asked for feedback on who should be the point of contact on the notice. Mr. Scarlett said that the code requires a 30-day delay for residential demolition, unless a building permit for a new structure is taken out.

Shawn Wood (BPS) said that demolitions create a lot of waste that ends up mostly burned or in landfills. BPS is interested in opportunities for organizations to deconstruct homes before demolition in order to recover materials for reuse. Some notice and delay would help provide time for this to take place. Mr. Fish said the two issues for builders are time and cost. It is far more expensive to deconstruct than to demolish a house, and that is a significant issue for builders at the low end. Mr. Wood said there may be ways for non-profit organizations to come in and remove materials, then have the structure demolished. Mr. Fish said that may work as long as builders are protected from liability for any individuals involved in the deconstruction. DRAC member Hermann Colas described a demolition project that involved 80 structures. They couldn't just be demolished; recycling and other processes had to take place. There are subcontractors that do different portions of that work.

Mr. Humphrey said he sees this more as an educational rather than a regulatory opportunity. Some builders talk to neighbors before a demolition takes place. There are safety concerns with posting a notice because the builder is advertising that the structure is vacant. He recommended not including contact information on the notice,

particularly since it's a courtesy, voluntary notice. He suggested including "good neighbor" suggestions on the notice - things neighbors can do to protect their property during the demolition. Mr. Hasenberg suggested that BDS could give a handful of notices to demolition contractors to distribute to neighbors.

Ms. Kincaid said that she and DRAC member Claire Carder helped develop the draft notice, and they recommended that the applicant's name not be on the notice since the focus is education, not creating conflict. If the Neighborhood Coalition is notified when a demolition permit is issued, they can notify the Neighborhood Association, which can notify the neighbors. That would address the safety concerns regarding posting a notice on the structure.

Mr. Fish said that using door-knocker notices on neighboring structures would also address the safety issue while providing notice. Mr. Wood said he likes the door-hanger approach because more information gets to the neighbors, including neighbors on surrounding streets who might not see a notice posted on the front of the property. Ann Dufay (SE Uplift) said the door knocker would be more likely to be used than a posted notice.

Mr. Fish said this issue was discussed recently at a meeting of infill developers, and there was some pushback. Mr. Fish supports providing notice because it builds better relationships with neighbors and lessens the likelihood of issues later on. DRAC member Dana Krawczuk said there may be some pushback from builders out of fear that projects will be appealed and delayed. She said that in the land use arena, there are sometimes consequences to not providing notice. Mr. Fish reiterated that he is in favor of providing some form of notice as long as it does not provide a mechanism for neighborhoods to push back and stop projects. He said that he has made concerted efforts to build good relationships with neighborhoods where he works.

DRAC Role / Purpose

Mr. Fish said that recently he, Ms. Kincaid, and Ms. Carder met with Mr. Scarlett and Deborah Sievert Morris (BDS) to discuss the DRAC's role and activities. They want to see the DRAC be more of an advisory group going forward, actively addressing issues of concern. Mr. Fish would like the DRAC to play a role in breaking down the silos between City bureaus to increase cooperation, effectiveness, and efficiency. He and Mr. Scarlett then reviewed the DRAC Workplan with DRAC members, discussing several items:

Public Works Appeals Process – This process has been up and running for the last 3-4 years. Ms. Kincaid sits on the committee representing neighborhood issues. She doesn't see it as something needing regular attention from the DRAC, but should be more of reporting back to DRAC when there are issues of interest. DRAC members agreed to remove the item.

Plan Review/ Self-Certification – This will be kept, but the title will be changed to Plan Review/Permit Process and a subcommittee will be established.

Tree Ordinance – Will remain as is.

ITAP – Will remain as is.

Development Fees & Regulations – Ms. Kincaid asked that a subcommittee be created to meet periodically when specific issues arise.

Public Works Permitting – Item numbers 1 and 2 will be removed.

Revenue & Budget Tracking – Will remain as is.

SDCs – Mr. Fish said that the DRAC can't really effect much change, since SDC regulations are mandated by the State. Mr. Scarlett said the DRAC's concern historically has been the cumulative effect of SDCs with permit fees. Mr. Fish suggested that an SDC information poster be placed in the DSC stating that SDC regulations are set by the State, not the City. Ms. Kincaid said that the DRAC needs more understanding of SDCs as well. This tem will remain.

Finally, Mr. Fish suggested that the Workplan be divided into two areas:

- ongoing issues
- subcommittees on specific issues

Mr. Feters will update the Workplan and distribute to DRAC members.

Fee Update

Sue Williams (BES) gave a brief update on fees and referenced the handout *Interagency Fee Update*. There is no information on SDCs yet. A fee ordinance will go to the City Council in May, and they will put together an email to DRAC members before that happens.

Mr. Krueger said that PBOT adopted temporary administrative rules in February 2014 suspending development requirements for certain development conditions until July 2015. They committed to undertake program development hopefully leading to a few new tools that may include a development fee to be paid by developers for street improvements when it is not practical to construct improvements on an infill development. PBOT will need to hire a consultant team to help develop this program and has asked for City General Fund monies to fund this proposal. If this is not funded, PBOT is not sure where funding may come from to move the proposal forward. One scenario would be to raise building permit and land use fees to cover the cost, although that is not PBOT's preference. Mr. Krueger will send a draft letter of support for the funding request to the DRAC for consideration.

Next DRAC Meeting: Thursday, May 15, 2014, 8:00 a.m. - 9:30 a.m.

Minutes prepared by Mark Feters, BDS