



City of
PORTLAND, OREGON

Development Review Advisory Committee

**Development Review Advisory Committee
MINUTES
Thursday, January 15, 2015**

DRAC Members Present:

Claire Carder
Jeff Fish
Rob Humphrey
Joe Schneider

Hermann Colas
Maxine Fitzpatrick
Maryhelen Kincaid
Kristin Wells

Phil Damiano
Steve Heiteen
Michelle Rudd

City Staff Present:

Fred Deis, BDS
Amanda Fritz, City Commissioner
Kurt Krueger, PBOT
Dora Perry, Comm. Fritz's Office
Elizabeth Reese Cadigan, BES
Paul Scarlett, BDS
Nancy Thorington, BDS

Rebecca Esau, BDS
Kari Herinckx, BDS
Phil Nameny, BPS
Andy Peterson, BDS
Matthew Robinson, Mayor Hales Office
Deborah Sievert Morris, BDS
Philip Wafula, BDS

Mark Feters, BDS
Alisa Kane, BPS
Mitch Nickolds, BDS

DRAC Members Absent:

Dave Humber
Dana Krawczuk

Keith Jones
Kirk Olsen

Chris Kopca

Guests Present:

Claire Adamsick, NE Coalition of Neighborhoods
Janet Baker, Beaumont-Wilshire Neighborhood Association
Sara Long
Judy Parsons, Beaumont-Wilshire Neighborhood Association
Mitch Powell, The Powell Group
Brandon Spencer-Hartle, Restore Oregon
Barbara Strunk, Beaumont-Wilshire Neighborhood Association
Justin Wood, Home Builders Association

Handouts

- DRAC Meeting Minutes 11/20/14
- DRAC Meeting Minutes 12/18/14
- Inter-Bureau Code Change List
- Non-Cumulative Cost Recovery Report
- BDS Major Workload Parameters
- Draft BDS Reserve Policy
- RICAP 7
- Proposed Energy Performance Reporting for Commercial Buildings
- Summary of Alternative Proposal for Extension to Initial 35-Day Delay Period for Residential Demolition

Convene Meeting

DRAC Chair Jeff Fish convened the meeting and welcomed DRAC members and guests. DRAC members reviewed and approved minutes from the DRAC meetings on November 20, 2014 and December 18, 2014.

Mr. Fish reminded DRAC members that a new Chair and Vice Chair needed to be elected for 2015. DRAC member Maryhelen Kincaid was the only volunteer for the Chair position, and DRAC members elected her unanimously. DRAC members Hermann Colas and Rob Humphrey volunteered for the Vice Chair position. A written vote was held, and Mr. Humphrey was elected Vice Chair.

Director's Report

BDS Director Paul Scarlett reviewed the handouts *Non-Cumulative Cost Recovery Report* and *BDS Major Workload Parameters* and provided an update on the bureau's work and finances. BDS is working diligently to fill vacant positions, but a large number of vacancies remain.

Within the last year the City conducted an accessibility audit of the 1900 Building, and BDS was given a list of 11 items that need to be corrected in order to meet Americans with Disabilities Act (ADA) accessibility requirements. Items include changing counter heights and relocating electrical outlets in a few locations. Recently the slip boxes (bins where customers leave slips for plans examiners) in the Development Services Center were lowered in order to improve accessibility.

Budget Update

Mr. Scarlett described the role BDS's budget plays in telling the bureau's story and reflecting the balance of workload needs, fees, staffing, and service levels. Even with all the positions added over the last couple years, the bureau is still behind on its service level goals, so BDS is looking at adding roughly 20 fee-supported positions in the FY 2015-16 budget. Financial projections indicate that sufficient revenues are in place to support the positions over the next five years.

The BDS Budget Advisory Committee and BDS employees have been providing good ideas and feedback on the budget request. The budget request is due on February 2nd, along with BDS's 5-Year Financial Plan.

Mr. Scarlett said that because final budget decisions have not yet been made and the budget will be submitted before the DRAC is scheduled to meet again in February, he would like to schedule a supplemental DRAC meeting for the last week of January. This will give DRAC members an opportunity to review BDS's final budget decisions before they're submitted. Mark Feters (BDS) will work with Ms. Kincaid to schedule the meeting.

BDS Finance Manager Elshad Hajiyev noted the addition of financial data related to the Information Technology Advancement Project (ITAP) at the bottom of the *Non-Cumulative Cost Recovery Report* handout.

Reserve Policy

Mr. Hajiyev distributed and reviewed the handout *Draft BDS Reserve Policy*. He described how the bureau's reserve goals are calculated and discussed current reserve levels. He noted that unlike BDS, most building departments in similarly-sized cities receive significant support from their cities' general funds; BDS receives only 5% of its budget from the City of Portland's General Fund. This makes the bureau much more susceptible to fluctuations in the economy. He also stressed that because BDS has healthy reserves, the bureau is able to make fee changes gradually.

Mr. Scarlett said the bureau will continue to look at the appropriateness of reducing fees, but maintaining the reserves is in customers' and the bureau's best interest. He added that the large reserves are a result of the tremendous growth in the construction industry.

Ms. Kincaid asked whether the program reserve goals and staffing levels are tied to workload or service level goals. Mr. Scarlett replied that most bureau programs have service level goals, and the bureau's performance against those goals can indicate when additional staff is needed. There are also services that BDS has to provide, such as those tied to the administration of State building code programs. Service level goals for those services were modified during the recession, but BDS couldn't stop providing the services.

DRAC member Joe Schneider suggested reducing the upper end of the "optimal levels of reserve goals" of 24 months/\$86.4 million cited on page 2 of the handout by 2/3, since it is highly unlikely that BDS would operate for 24 months at full staff with no income.

Mr. Colas asked what triggers a decision to start using bureau reserves. Mr. Hajiyev replied that BDS looks at patterns in workload, expenditures, and revenues, but reserves are generally drawn when monthly expenditures exceed revenues. Historically, the bureau has used reserves in the winter when construction slows down, though that has not been the case this year. The bureau considers making adjustments in reserve goals if there are 4-5 consecutive months of negative growth.

Regulatory Improvement Code Amendment Package (RICAP) 7

Phil Nameny (BPS) gave a brief update on the status of RICAP 7. BPS has just released a discussion draft; it is available online at <http://www.portlandoregon.gov/bps/article/514849>. Mr. Nameny distributed the handout *RICAP 7*, which summarized the full discussion draft. The public comment period is open until February 27th. A formal draft will be released in March, after which it will go to the Planning & Sustainability Commission in April. BPS will host a RICAP open house on February 10th; see <http://www.portlandoregon.gov/bps/62880> for more information.

Energy Performance Reporting Policy (Commercial Buildings)

Alisa Kane (BPS) distributed the handout *Proposed Energy Performance Reporting for Commercial Buildings* and gave an overview of the proposal. BPS plans to take the proposal to the Planning & Sustainability Commission in January, and to the City Council in April. More information is available at www.portlandoregon.gov/bps/energyreporting.

Information shared during a question and answer session included:

- For buildings that don't comply with the proposed standards, the program will be focused on outreach and education, rather than penalties.
- The energy audit will be provided at no cost, other than staff time.
- Industrial structures, warehouses, and multi-family residential are being excluded for now because they are not as good of a match for the program.

Demolition Subcommittee Update

Mr. Fish said that some of the demolition subcommittee members met recently to debrief and try to address issues that were raised at their recent City Council hearing. That meeting produced amendments to the demolition proposal that are now being brought to the full DRAC for review.

Nancy Thorington (BDS) then reviewed the handout *Summary of Alternative Proposal for Extension to Initial 35-Day Delay Period for Residential Demolitions*. The most significant issue identified in the City Council hearing was the replacement of the current 120-day delay provision with a mutual 35-day delay. The changes in the handout address this by creating a 60-day extension (in addition to the 35-day delay) and shifting the burden of proof to the party requesting the extension.

Mr. Fish said the subcommittee was trying to find a middle ground where legitimate interests could be addressed, without people using the system to hold up all development. It was noted during discussion that BDS does not have the authority to revoke or deny a demolition permit when the applicant has met all applicable code and legal requirements. Ms. Kincaid noted that Brandon Spencer-Hartle from Restore Oregon took part during the subcommittee meeting.

The subcommittee felt that bringing the Code Hearings Officer into the process adds impartiality and removes bias. The Code Hearings Office requires 30 days notice to schedule a hearing. Commissioner Amanda Fritz said she is concerned about the ability of less-affluent neighborhoods to raise money for the Code Hearings Officer's filing fee on short notice.

DRAC member Kristin Wells suggested clarifying how the purchase price of a property is determined (and by whom) in 24.55.200.H in the proposal.

DRAC members, neighborhood representatives, and City staff debated the fairness and balance of the proposal. DRAC members also debated the term "recognized organization" in section 24.55.200.H; after discussion, DRAC members voted to approve the amended proposal, with the proviso that the words "or any interested party" be added after "recognized organization".

City Council will hold a second hearing on the proposal on February 12th; there will be an opportunity for additional public testimony.

Commissioner Amanda Fritz

Commissioner Fritz expressed pride in the DRAC and appreciation for its work in tackling difficult issues, such as demolitions.

Recognition of Outgoing DRAC Members – Jeff Fish, Steve Heiteen, Michelle Rudd

Commissioner Fritz then recognized three DRAC members who are completing their last terms and leaving the DRAC:

- Jeff Fish (Home Builders)
- Steve Heiteen (Home Remodelers)
- Michelle Rudd (Planning & Sustainability Commission)

Commissioner Fritz and Mr. Scarlett thanked the members for their good work serving on the DRAC, and DRAC subcommittees, as well as their involvement in other City committees and efforts. The members expressed appreciation for their time on the DRAC and the hard work of the other DRAC members and City staff. Mr. Scarlett presented the members with certificates and letters of appreciation.

DRAFT

**Next DRAC Meeting:
Thursday, February 19, 2015**

Minutes prepared by Mark Feters, BDS