



City of
PORTLAND, OREGON
Development Review Advisory Committee



February 2, 2015

Dear Mayor Hales and City Commissioners,

As Chair of the City of Portland's Development Review Advisory Committee (DRAC), I am writing to you on behalf of the Committee to express our support for the Bureau of Development Services' (BDS's) Requested Budget for fiscal year (FY) 2015-16. DRAC members represent significant construction, design, and neighborhood stakeholders and associations with interest in the outcome of policies, budgets, regulations, and procedures that affect development review processes in the City of Portland.

The DRAC annually reviews BDS's strategic direction, financial status, priorities, and proposed budget decisions. We have also consistently communicated with BDS managers and staff regarding our priorities for BDS and the development review process:

- Provide timely, quality services to customers and the community
- Continuously work to streamline and improve development review processes
- Keep fees as low as possible
- Secure ongoing General Fund support for local code programs that provide general public benefit

We believe that the decision packages in BDS's budget request reflect and contribute to these priorities:

Improving Services through Staff Additions

BDS has been adding staff for the past three years to meet increased workload demands as the economy and construction industry has recovered from the recession. Data provided by BDS and our own experiences as bureau customers has demonstrated to us that additional staff will be needed to meet demand and improve bureau services in FY 2015-16. BDS has proposed adding 19.5 positions supported by permit fee revenues, and the bureau's financial projections demonstrate that sufficient funds will be available to support these positions for several years.

Most of the positions will be added to programs providing direct services to bureau customers, responding to workload increases and gaps in current service levels. Positions will also be added to strengthen the bureau's community outreach, education, and customer service functions, addressing equity goals and providing an enhanced level of service to customers in the Development Services Center.

BDS's financial projections show that there will be sufficient permit revenues to support these positions for the next several years.

Minimal Fee Changes

One of the reasons we are supportive of BDS's request to add staff is that the bureau is making a concerted effort to keep fee increases to a minimum. In FY 2013-14, BDS did not raise fees in several major permit categories and decreased Site Development fees by 5%. In FY 2014-15, BDS made no fee increases except for its Environmental Soils Program. For FY 2015-16, BDS has again pledged to make no fee increases except for Environmental Soils. We commend BDS's efforts to be efficient and control costs while it works to improve its services.

While only one BDS fee category will be increasing, we continue to urge the City Council to keep in mind the impacts of increased labor costs on City customers and to do all in its power to contain those costs. We further appeal to the City Council to consider the cumulative impact of fee increases from all the development bureaus (Water, Environmental Services, Transportation, and Parks), particularly those related to Systems Development Charges (SDCs). The cumulative burden of fee increases from the development bureaus can act as a drag on development, causing economic harm to the city as a whole.

Securing Sufficient Ongoing Funding for Local Code Programs

Along with State building codes, BDS applies and enforces several sections of City Code, including Zoning, Property Maintenance, and others. While permit fees pay for BDS's building code program, BDS staff enforcing local City Codes are supported through a combination of fines, fees, and the City's General Fund.

While BDS's permit revenues are strong, state law does not allow BDS to use those revenues to support programs that enforce local codes. This leaves the bureau's Neighborhood Inspections and Land Use Services programs dependent on General Fund support (plus limited fines and user fees) for their continued existence. As DRAC members, we see the value of these programs to the entire Portland community as they strengthen neighborhoods and protect property values.

Given that these programs benefit the entire community, we urge City Council to ensure that these programs are fully funded at levels sufficient to support full staffing. We fully support BDS's General Fund budget requests to add positions in Neighborhood Inspections and Land Use Services and to increase funding for nuisance abatements by \$100,000. Approving these requests will improve and expand important community services, particularly to low-income, underserved populations.

Development Review Advisory Committee
Requested Budget Letter
February 2, 2015
Page 3 of 3

The DRAC therefore respectfully requests that you approve BDS's FY 2015-16 Requested Budget, including all fee-supported and General Fund-supported budget decision packages. Approving BDS's budget will ensure needed support to neighborhoods and businesses and strengthen positive partnerships between the private sector, neighborhoods, and government.

Please feel free to contact me to ask questions or receive additional information. I can be reached at 503-286-3354 or jamasu88@msn.com.

Sincerely,

Maryhelen Kincaid, Chair
Development Review Advisory Committee