



**City of
Portland, Oregon**
Bureau of Development Services
FROM CONCEPT TO CONSTRUCTION

Amanda Fritz, Commissioner
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BDS Budget Advisory Committee
Meeting Notes
Tuesday, December 9, 2014

BAC Members Present:

Lisa Dibert, BDS
Maxine Fitzpatrick, Development Review Advisory Committee
McKenzie James, BDS
Connie Jones, BDS
Maryhelen Kincaid, Development Review Advisory Committee
Cristina Palacios, Community Alliance of Tenants
Paul Scarlett, BDS Director
Susan Steward, Building Owners & Managers Association (BOMA)
Steve White, Oregon Public Health Institute
Rachel Whiteside, BDS
Matt Wickstrom, BDS

Other City Staff Present:

Rebecca Esau, BDS	Mark Feters, BDS	Elshad Hajiyev, BDS
Doug Le, City Budget Office	Mike Liefeld, BDS	Ed Marihart, BDS
Mitch Nickolds, BDS	Kyle O'Brien, BDS	
Dora Perry, Commissioner Fritz's Office		
Andy Peterson, BDS	Deborah Sievert Morris, BDS	

Guests Present: Amanda Fritz, City Commissioner

BAC Members Absent: None

Handouts

- 11/19/14 BAC Meeting Notes
- Economic Outlook
- BDS Director's Budget Goals Memo
- Equity Assessment Tool Template
- BDS General Fund Allocation FY 2014-15
- BDS Enforcement Program Summary & Future Needs

Welcome/ Convene Meeting

BDS Director Paul Scarlett welcomed BAC members and City staff. He then reviewed the meeting agenda and discussed the goals for the meeting.

BAC members reviewed and approved notes from the Nov. 19, 2014 BAC meeting.

Citywide Budget Update

Doug Le (City Budget Office) gave an update on the Citywide budget and the General Fund and reviewed the handouts *FY 2015-16 Budget Guidance*, *FY 2015-16 Budget Process Calendar*, and *FY 2015-16 BDS General Fund CAL Target*. He clarified that bureaus can request one-time General Fund monies, but requests for new ongoing General Fund support must be offset by cuts in other areas. Mr. Le noted that budget documents and information are available on the City Budget Office website at <http://www.portlandoregon.gov/cbo/>.

Economic Outlook

BDS Finance Manager Elshad Hajiyev and Financial Analyst Kyle O'Brien gave an update on the general economic outlook and the development industry in particular. Mr. O'Brien reviewed the handout *Economic Outlook*. A question was asked about construction projections for other west coast cities; Mr. O'Brien said he would research and bring information to the next BAC meeting. He said that there are good reasons to be optimistic regarding the economy and bureau revenues over the next five years.

Rebecca Esau (BDS) asked about the causes and duration of increases in the cost of construction. Andy Peterson (BDS) said that material costs are going up, and wages will continue to increase because the skilled labor pool has shrunk. Mr. Hajiyev said they will do more research on this.

Bureau Budget Focus

Commissioner Amanda Fritz thanked BAC members for their work and said it is important for the BAC to be in agreement in its recommendations and messaging.

BAC Member Connie Jones asked how the bureau will fund equity efforts, since permit revenues can support only programs that administer the State building codes. Mr. Scarlett said that permit fees can pay for equity efforts, as part of the overall administration of the State codes – just like other administrative services and programs that support the work of code administration.

Bureau Budget Goal Update

Mr. Scarlett distributed the handout *BDS Director's Budget Goals*, which was also distributed at the Nov. 19th BAC meeting. As part of the remaining BAC meetings, the Committee will spend time reviewing the goals and their relevance to the bureau's budget request.

BAC Member Cristina Palacios asked whether BDS tracked population data, in order to accurately predict and hire the number of inspectors that will be needed. Mr. Scarlett described the bureau's 5-Year Financial Plan, which includes population data in its financial models. Mr. Hajiyev added that Housing Inspection positions are supported by the General Fund, and he noted that (with the Commissioner's assistance) BDS has been successful in increasing its General Fund allocation in recent years.

Commissioner Fritz suggested that BAC members submit suggestions and feedback on BDS's budget goals, and further discussion will take place. Ms. Palacios cited a need for more public education on permit requirements. BAC Member Maryhelen Kincaid stressed the importance of managing the bureau's costs due to the impact of permit fees on development and the price of housing.

Equity

Kari Herinckx distributed the handouts *Budget Equity Assessment Tool (Sample), 2012 Vulnerability Risk Factor A: Renters*, and *2012 Vulnerability Risk Factor B: Communities of Color*. Ed Marihart (BDS) reviewed *Budget Equity Assessment Tool (Sample)*, which used The Extremely Distressed Properties Enforcement Program (EDPEP) as the sample program. He described how an expansion of EDPEP would contribute to BDS's equity goals.

Dora Perry (Comm. Fritz's Office) said that an understanding of the equity lens concept has to precede the use of the Equity Tool. Ms. Herinckx said that kind of training will take place before the Tool is used. Ms. Herinckx, Committee members, and staff discussed the equity lens and its application to BDS programs and services. Ms. Perry stressed that equity work belongs to everyone, and the process needs to be participatory.

BAC Member Steve White said the Tool will likely generate questions and recommendations, and the bureau needs to think about how those recommendations will be taken forward.

Commissioner Fritz mentioned the challenge of the Mayor's budget directions, which require offset cuts for any new ongoing General Fund requests. She encouraged BAC members to be thinking about equity concerns and prioritizing the bureau's General Fund allocation.

Ms. Palacios suggested increasing enforcement fees to help with funding enforcement programs. Mr. Marihart said that fee collections have increased significantly in the last several years. Mr. Hajiyev said the current collection rate is 15-20%, and BDS's collection program is proactive and effective. Mr. Marihart said BDS is trying to maintain a balance between education and punitive measures. The goal is to achieve code compliance, rather than punishment.

Commissioner Fritz asked for more information at the next BAC meeting on bureau revenue streams and trends. She said the BAC can also propose new revenues/fees to help pay for services.

Ms. Kincaid said that she is seeing overlap and duplication of equity efforts in different City bureaus; could those efforts be coordinated in order to achieve efficiencies? Ms. Herinckx said that the various bureau equity managers meet monthly, in addition to regular meetings with Dante James from the City Office of Equity. Conversations on coordination and working together are ongoing. Commissioner Fritz said that bureau equity managers are focused on their bureaus, and the overall coordination piece belongs to the City Office of Equity.

Mr. Marihart distributed and reviewed the handout *BDS Enforcement Program Summary*.

Mr. White asked whether there would be an opportunity for City stakeholders/partner organizations to fill out the Equity Tool for the bureaus. Commissioner Fritz said this is possible and that the Equity Tool can be emailed to him.

Mr. Hajiyev pointed out the good work that BDS has already been doing related to equity. The addition of Ms. Herinckx's position (Equity Manager) allows for a more structured approach to equity, but BDS has already been doing a lot.

Commissioner Fritz said that the Parks Bureau is putting together a one-time General Fund request focused on equity, and she suggested that BAC members consider one-time requests to address specific needs. One-time requests should be related to the Mayor's priorities of equity, complete neighborhoods, and emergency preparedness. There may also be opportunities to partner with other bureaus on requests.

General Fund

Mr. Hajiyev reviewed the handout *BDS General Fund Allocation FY 2015-16*.

Meeting notes prepared by Mark Feters, BDS