



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

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BDS Budget Advisory Committee
Meeting Notes
Thursday, January 22, 2015

BAC Members Present:

Lisa Dibert, BDS Enforcement/Neighborhood Inspections
Maxine Fitzpatrick, Development Review Advisory Committee
McKenzie James, BDS LMC/Inspections
Connie Jones, BDS LMC/Inspections
Maryhelen Kincaid, Development Review Advisory Committee
Justin Buri, Community Alliance of Tenants
Paul Scarlett, BDS Director
Steve White, Oregon Public Health Institute
Rachel Whiteside, BDS LMC/ITAP
Matt Wickstrom, BDS Land Use Services

Other City Staff Present:

Ross Caron, BDS	Adrienne Edwards, BDS	Rebecca Esau, BDS
Mark Feters, BDS	Amanda Fritz, City Commissioner	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: None

BAC Members Absent:

Susan Steward, Building Owners & Managers Association

Handouts

- 1/13/15 BAC Meeting Notes
- Major Workload Parameters
- Non-Cumulative Cost Recovery Report
- Proposed Fee-Supported & General Fund Budget Requests
- BDS Employee Budget Ideas – Top 12
- BDS Enforcement Program Summary
- Equity 101

Welcome/ Convene Meeting

Adrienne Edwards (BDS) welcomed BAC members and City staff and encouraged BAC members to review notes from the January 13, 2015 BAC meeting. Two small clarifications were requested on page 3 of the notes, regarding statements about translation for BDS inspectors in the field and second languages for BDS new hires. BAC members approved the meeting notes with those corrections.

Overview for Today's Meeting

Ms. Edwards gave an overview of the plan and goals for the meeting.

Fee-Supported Budget Requests

BDS Director Paul Scarlett said that BDS is adding fee-supported positions to address gaps in service levels and to improve overall customer service throughout the bureau. He reviewed the first page of the handout *Proposed Fee-Supported and General Fund-Supported Position Requests*. He explained how the revised fee-supported requests related to the suggestions made by BAC members at the last BAC meeting, such as adding "ambassadors" to help customers in the Development Services Center. BDS division managers shared specifics about the positions requested for their divisions.

BAC member Connie Jones asked whether BDS has enough internal Administrative staff to support all the hiring the bureau is (and will be) doing. Deborah Sievert Morris (BDS) said they are trying to be efficient in how they fill vacancies. She feels that they have sufficient staff, but they will monitor that on an ongoing basis. Kari Herinckx (BDS) added that they are filling a vacant Sr. Administrative Specialist position that will help with hiring.

The Committee discussed the reduction in additional positions for Land Use Services (LUS), from 9 to 5 positions, since there will be insufficient land use revenues to support all 9 positions for the five years of the bureau's Financial Plan. Commissioner Amanda Fritz suggested offering "concierge" services in LUS, similar to those offered in BDS Plan Review and Inspections: customers who want to can get faster service by paying more. LUS Manager Rebecca Esau said that it is challenging for LUS to promise faster services since they don't have control over the whole process; parts of the process are dependent on applicants and others. BAC member Rachel Whiteside said that LUS is also dependent on interagency partners, who are struggling to keep up with the work. Ms. Esau said that a concierge program would need to be structured so that the interagency bureaus would receive revenues to support additional staffing.

In regards to the proposal to add outreach-related positions, BAC member Maryhelen Kincaid said there should be coordination with outreach specialists in other bureaus, so multiple bureaus aren't adding similar staff positions and duplicating services.

Mr. Scarlett said that the 18.5 fee-supported positions in the proposal would take the bureau to over 300 employees.

General Fund Budget Requests

Mike Liefeld and Ed Marihart (BDS) distributed and reviewed the handout *BDS Enforcement Program Summary*, which was updated with a new Revenue Generation Considerations section. They also reviewed the 2nd page of the handout *Proposed Fee-Supported and General Fund-Supported Position Requests*.

The proposed lien amnesty program in the handout would be for a limited time period. People could sign up for payment plans lasting up to 5 years, but they would need to make that commitment during the open window. When lien amnesty was last offered in 2009, the amnesty period was extended multiple times due to the dire economic conditions.

Discussion

BAC member Justin Buri said that having a limited time window (rather than open-ended) to apply for the lien amnesty program may encourage more people to take advantage of it.

Dora Perry (Comm. Fritz's Office) asked about the impacts of the 2009 lien amnesty program for property occupants. Mr. Liefeld replied that BDS didn't track or have that data; the purpose of the program was to close cases and settle liens. Ms. Perry said that bureau should research the impacts of the program for occupants.

Mr. Buri said that from the Community Alliance of Tenants' (CAT's) perspective, the fee for violations has to be high enough to compel owners to correct violations. The lien amnesty program will be dealing with properties where violations have already been corrected. CAT will be looking to collect data on the impacts of lien amnesty for occupants. BAC member Maxine Fitzpatrick said she would like to take part in that conversation.

Ms. Perry also asked about the effectiveness of liens collection for the Neighborhood Inspections program. Mr. Liefeld said that despite an improved collections rate, there is still a large number of liens on the books that may be there for a long time. Some accounts are for chronic violation properties, where new violations are cited frequently and property owners don't want to pay the liens. City staff has had discussions about using foreclosure as a tool in those types of cases; amnesty will likely not be used by owners of chronic violation properties. The City is spending large amounts of time and money on these properties. Staff needs to think more about tools to use on persistent, long-term lien accounts. There is a receivership program, but it hasn't been used for a while due to the costs.

Ms. Jones asked for an estimate of the percentage of unpaid liens that is composed of chronic offenders. Mr. Marihart said perhaps 10%, but that is a rough guess.

Ms. Kincaid said there might be opportunities to engage with developers on foreclosures of chronic violation properties, since developable space is at a premium in Portland. Developers could be incentivized to invest in renovating these properties.

Mr. Scarlett said that the revenue generated from the lien amnesty program could possibly help to offset the cost of the proposed three new housing inspector positions, but it is challenging to predict when the money will come in.

BDS Finance Manager Elshad Hajiyev recommended making the Housing Inspector positions limited term rather than permanent, given the uncertainty of the timing of projected revenues from the lien amnesty. Commissioner Fritz suggested adding the positions via ordinance to City Council next spring (rather than through the Requested Budget), after the lien amnesty is in place and the bureau has a better picture of what revenues will come in and when to expect them.

Committee members and City staff discussed recommendations made by the Quality Rental Housing Workgroup (QRHW) in 2007, including the Per Unit Rental Fee. The fee was designed to pay for additional Housing Inspectors to expand the Enhanced Inspections pilot program citywide. Mr. Marihart said the QRHW recommendations were not enacted because the Portland Housing Bureau did not take them forward to the City Council. Mr. Liefeld said that since so much time has passed since the QRHW recommendations were made, it would be necessary to revisit the process in order to make sure all parties are still on board. Commissioner Fritz suggested moving forward with lien amnesty this year, and then having conversations with stakeholders over the next year to re-boot the QRHW recommendations.

Ms. Herinckx discussed how the proposed new positions will contribute to BDS's equity goals. In particular, the additional customer service/outreach positions will really help in connecting with diverse communities. Ms. Kincaid spoke regarding the good public education work these positions can do regarding permitting requirements and the process, which will save the City time and money.

Ms. Fitzpatrick said her agency works with low-income seniors who can have issues with the maintenance and upkeep of their homes. In neighborhoods where gentrification is taking place, this can lead to complaints from neighbors to BDS, resulting in violation citations and property liens. At the same time, the Portland Housing Bureau (PHB) has programs to help seniors with home maintenance and repairs. With the new positions, BDS should work to connect with PHB so that seniors can get help before violations are cited and fees are charged.

Ms Perry encouraged the bureau to start thinking in systemic way about outreach; BDS needs to hire outreach people who know the diverse communities in Portland, so the bureau can better communicate and relate with those populations. Ms. Herinckx said this is happening – she just had a conversation with BDS Communications Manager Ross Caron about this yesterday.

Mr. Buri said that in his experience, violations are sometimes caused by tenants inadvertently, but BDS notifies the property owner. If the tenants could be notified (and in their own languages), they would be less vulnerable to retaliation from landlords. It would be great for BDS to invest more money in working with community-based organizations to do outreach.

Ms. Kincaid stressed the importance of community members as BDS customers. She suggested that the bureau might benefit from a citizen advisory group with representatives from community organizations (CAT, PCRI, etc.), to function like the Development Review Advisory Committee.

Ms. Esau discussed the reduction in her request for additional Land Use staff positions from 9 to 5. The change was made because LUS revenues will not be sufficient to support 9 positions through the five years of the Financial Plan. Other options may include:

- Raising LUS fees where they do not cover costs;
- Provide “concierge” services for additional fees;
- Ask for additional General Fund support for positions focused on outreach and education

Ms. Jones said that if concierge services are provided, the focus should be on providing a single point of contact for customers throughout the land use process, rather than on faster timelines. Ms. Esau said that planners have traditionally done that, but they’re stretched too thin now and don’t have the capacity to provide that level of service.

Schedule / Next Steps

The next meeting will be next Tuesday (Jan. 27) at 12:00 noon. BDS will be looking for final recommendations from the BAC at that meeting.

Other

Commissioner Fritz announced that BDS has been named one of the Daily Journal of Commerce’s 2015 Newsmakers, as an organization “that has had an impact on, or played a significant role in, the region’s built environment during the past 12 months” and “is expected to have a significant impact during the coming year”. BDS will be honored at a luncheon awards presentation on February 25th at the Sentinel Hotel. For more information, see <http://djcoregon.com/news/2015/01/05/djc-names-newsmakers-for-2015/>.

Meeting notes prepared by Mark Feters, BDS