



City of
PORTLAND, OREGON

Development Review Advisory Committee

Development Review Advisory Committee
MINUTES
Thursday, April 16, 2015

DRAC Members Present:

Claire Carder	Hermann Colas	Phil Damiano
Rob Humphrey	Maryhelen Kincaid	Chris Kopca
Jennifer Marsicek	Kristin Wells	Justin Wood

City Staff Present:

Fred Deis, BDS	Cindy Dietz, Water	Rebecca Esau, BDS
Mark Feters, BDS	Elshad Hajiyev, BDS	Kurt Krueger, PBOT
Amit Kumar, BDS	Scott Linfesty, BDS	Barry Manning, BPS
Phil Nameny, BPS	Mitch Nickolds, BDS	
Dora Perry, Commissioner Fritz's Office		Andy Peterson, BDS
Emily Sandy, BDS	Nancy Thorington, BDS	Riley Whitcomb, Parks
Christopher Wier, PBOT	Sue Williams, BES	Sandra Wood, BPS

DRAC Members Absent:

Maxine Fitzpatrick	Dave Humber	Dana Krawczuk
Keith Jones	Kirk Olsen	Joe Schneider

Guests Present:

Jeff Fish, Fish Construction NW
John Hasenberg, Oregon Remodelers Association
Joshua Klyber, Code Unlimited
Sara Long

Handouts

- Draft DRAC Meeting Minutes 3/19/15
- Draft DRAC Meeting Guidelines (revised)
- Inter-Bureau Code Change List
- Non-Cumulative Cost Recovery Report
- BDS Major Workload Parameters
- Draft BDS Business Continuity Plan
- Proposed Amendments to Seismic Design Requirements for Existing Buildings
- Draft Ordinance Title 24.85
- RICAP 7 Proposed Draft April 2015
- RICAP 8 Workplan Summary
- DRAC Parks SDC Letter

Convene Meeting

DRAC Chair Maryhelen Kincaid convened the meeting and welcomed DRAC members and guests.

Ms. Kincaid welcomed Justin Wood as the newest DRAC member, filling the Home Builders position. Mr. Wood has 14 years experience as a homebuilder and has served as an officer for both the Oregon and National Home Builders Associations. He has also served as a community volunteer, including building homes with Habitat for Humanity and Homes for Our Troops.

Mr. Wood's appointment to the DRAC was approved by the City Council yesterday (April 15th). In addition, the City Council reappointed four current DRAC members for additional terms: Hermann Colas, Maxine Fitzpatrick, Rob Humphrey, and Kristin Wells.

A quorum was not yet present, so draft minutes from the March 19th DRAC meeting could not be approved.

Director's Report

Mr. 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. Revenues and workload continue to be strong. The bureau's year-to-date cost recovery rate is 139% while bureau reserves stand at \$43 million.

There continues to be a challenge in filling the many staff positions that have been added to the bureau in the last year, primarily due to the competitive job market and the City's lengthy hiring process. To help streamline the hiring process, the City Bureau of Human Resources (BHR) recently hired a staff person dedicated solely to BDS.

The bureau made its FY 2015-16 Requested Budget presentation to City Council on Monday, March 30th. The presentation focused on requests for General Fund support for 6 positions in the Neighborhood Inspections and Land Use Services programs, plus funds for nuisance abatements. BDS's requests for 19.5 fee-supported positions were moved from the FY 2015-16 budget to the FY 2014-15 Spring Budget Monitoring Process (BMP), so they can be approved and filled more quickly. DRAC Vice Chair Rob Humphrey attended the budget presentation along with representatives from BDS's Labor Management Committee and Budget Advisory Committee (BAC), but there wasn't time for them to testify. The BDS BAC met a couple days ago to review the bureau's updated budget requests.

In addition to the 19.5 fee-supported positions moved from the FY 2015-16 budget, the FY 2014-15 Spring BMP included a request for 13.5 more fee-supported positions. Commissioner Fritz and the City Budget Office support this request. The Spring BMP request will go to City Council next week.

Mark Feters (BDS) will send the list of upcoming City public budget forums to DRAC members.

Convene Meeting (continued) / Announcements

A quorum was at that time present. DRAC members reviewed and approved the draft minutes from the March 19, 2015 DRAC meeting. Members also reviewed and adopted the guidelines in the handout **Draft DRAC Meeting Guidelines (revised)**.

After discussion, Mr. Wood volunteered to serve as the alternate DRAC representative on the City's Public Works Appeals Panel (DRAC member Dave Humber is the primary DRAC representative). DRAC members voted and approved recommending to the Mayor that Mr. Wood be appointed as the alternate DRAC representative.

DRAC member Phil Damiano gave an update on BPS's Accessory Structures Focus Group, which has been meeting as part of the Regulatory Improvement Code Amendment Package (RICAP) 7. He said that a draft should be coming to the DRAC in May or June.

It was announced that Shawn Wood (BPS) has convened a Deconstruction Committee and intends to take a proposal regarding deconstruction to City Council on June 3rd. The committee will meet from 2:30 – 4:30 p.m. each Wednesday from April 29 – May 27, and BPS would like a DRAC member to participate. DRAC Member Kristin Wells volunteered to serve as the DRAC representative on the committee and was approved by DRAC members.

BDS Inspections Services Division Manager Mitch Nickolds introduced Scott Linfesty, BDS's new Commercial Inspections Section Manager. Mr. Linfesty previously served as the Building Official in Lane County and Oregon City. He began work with BDS on March 30th.

Mr. Scarlett reminded DRAC members that the demolition code changes approved by City Council will go into effect on April 20th. Ms. Kincaid said that the DRAC Demolition Subcommittee will continue meeting to work on implementation of the code changes, and that Jeff Fish (Fish Construction NW) and Robert McCullough (Eastmoreland Neighborhood Association) will be involved.

BDS Reserve Policy & Business Continuity Plan

BDS Finance Manager Elshad Hajiyev reviewed the handout **Draft BDS Business Continuity Plan** and asked DRAC members for feedback. He said that the goal of the Plan is to enable BDS to be proactive in responding to significant downward economic trends. The handout also includes proposed changes to BDS's financial reserve goals.

DRAC Member Rob Humphrey asked whether the unions will have input regarding layoffs and the criteria used in making staffing decisions. Mr. Scarlett said the unions will be able to give input, but the bureau will make the final decisions. Mr. Humphrey asked if the bureau had a plan like this in place during the last recession. Mr. Scarlett said that a written plan was not in place, but the bureau met extensively with the unions and Commissioner Leonard's office to develop criteria and make decisions regarding layoffs.

DRAC Member Christopher Kopca questioned whether waiting 6 months to take action would give BDS the flexibility it would need. Mr. Scarlett said the bureau has to maintain sufficient staffing and resources to address prepaid work for state-mandated services. Mr. Hajiyev added that waiting 6 months gives time to make sure that a downturn is long-term and warrants taking action. He noted that the Federal Reserve defines recession as two quarters of negative GDP growth.

Mr. Wood said that the Plan should give discretion for BDS to take action before 6 months if it is clear that something needs to be done. Mr. Scarlett said the bureau does have other discretionary measures, such as using more limited term or temporary staff. Mr. Hajiyev said a provision can be added to the Plan to address dramatic financial or political events.

Guest Jeff Fish suggested that the trigger of a 5% drop in land use applications is too narrow of a margin. Mr. Hajiyev said the bureau can look at increasing it to 7.5 or 10%.

Ms. Wells suggested that there should be smaller steps earlier in the process that lead up to the larger ones. Mr. Scarlett said that can be added to the Plan.

DRAC Member Hermann Colas asked whether the bureau takes into consideration that some projected development projects don't end up being built. Mr. Hajiyev said that projects are not included in the forecast unless there is high probability of completion.

Mr. Damiano suggested the creation of a similar plan for economic upturns. Mr. Hajiyev said he would work on it.

Mr. Humphrey said the bureau needs to have a plan in place to address the current large reserves. Mr. Scarlett said the bureau has been and will continue looking at fees and other measures.

Mr. Hajiyev said that the updated reserve goals in the handout reflect the discussion at DRAC from a couple months ago. Most programs now have reserve goals of 50%. The Neighborhood Inspections and Land Use Services programs are at 30% for now because their reserves need to be built up. The Building/Mechanical program goal is 75% because BDS needs enough money to ensure that inspections can be provided.

Mixed Use Zones Project

Barry Manning (BPS) gave a brief reprisal of his presentation from the March 19th DRAC meeting and distributed the handouts **Mixed Use Zones Project Preliminary Zoning Concept** and **Mixed Use Zones Project Draft Revised Zoning Concept**. He said that one item that has been controversial with neighborhoods and some developers is the medium-sized zone that will be replacing a few existing zones.

Mr. Kopca questioned the concept of a discretionary bonus. He said that it should be an entitlement, rather than discretionary; otherwise it plays havoc with development. Mr. Manning said that is the goal.

Ms. Wells asked whether the proposal would have any benefit for the middle-income bracket. Mr. Manning said that affordable housing is a key goal of the City's Comprehensive Plan. He said they are exploring targeting 0% of median family income, and they're also looking at 80%. Ms. Wells said they should also look at the 80-120% bracket; those households don't qualify for affordable housing, but can't afford market rate.

Mr. Wood said he agreed with Ms. Wells, but doesn't want to approach rent control. He said that there are mixed messages about height; there has been discussion about lowering permitted height, but if affordable housing is included, the height can go back to 4 stories. Mr. Manning agreed with his assessment; he said that neighborhoods have been asking for

smaller-scale buildings on smaller streets, but the City doesn't want to stifle growth. Affordable housing is a trade-off, as it benefits the community.

Mr. Colas asked whether the proposal includes a parking requirement. Mr. Manning said that the City set new parking restrictions two years ago that require a minimum amount of parking for developments over 30 units, and they're not looking to change that. He added that parking would not count against overall floor area.

Mr. Fish referenced the inclusionary zoning bill that is going through the Oregon state legislature now, requiring 30% of units to be affordable, and asked how that might affect this proposal. Mr. Manning said they don't know yet and will need to follow up. He said he thinks there will be some local discretion as to how the bill would be applied. Mr. Wood said that the bill doesn't require 30%, but sets it as an upper limit. The bill removes the prohibition on exclusionary zoning.

Ms. Wells asked if they were looking at step-down zoning, so large mixed-use projects aren't located next to single-family homes. Mr. Manning said they tried to do full-block zoning in the past, but it is controversial with the neighborhoods. He said there will continue to be instances where those types of adjacencies exist. The proposal includes a height step-down guideline.

Mr. Nickolds asked if they had considered how the proposal might affect existing housing stock. Mr. Manning said they haven't looked at non-conforming situations, though they did survey a lot of existing mixed-use developments. The code would allow non-conforming uses to continue; the question is what would happen if they want to modify/re-develop later on.

Seismic Code Changes (Title 24.85)

Amit Kumar (BDS) reviewed the handouts **Proposed Amendments to Seismic Design Requirements for Existing Building** and **Draft Ordinance Title 24.85** and gave an overview of the proposed code changes. The current code reflects outdated standards, and the changes will update the code to reflect current standards.

Mr. Colas said there is a need to look at how seismic upgrades can be done without displacing lower-income tenants. Mr. Kumar said that cost issues are not part of this proposal; they're just updating the references in the code. Mr. Humphrey said that question relates to policy, rather than the code. At the May DRAC meeting there will be a policy discussion regarding unreinforced masonry structures, and perhaps the cost question could be part of that discussion.

Mr. Kopca asked what the rationale was behind the new standards, particularly the portion that isn't being reflected in Portland code. BDS Plan Review/Permitting Services Manager Andy Peterson said that the standard was created for California, which has much higher seismic activity. Oregon has a limited number of seismic events, which would result in that portion of the standards requiring seismic compatibility in only 40% of structures.

Mr. Kumar said the proposed changes wouldn't really apply to single-family construction.

RICAP 7/8 Update

Phil Nameny (BPS) reviewed the handouts **RICAP 7 Proposed Draft April 2015** and **RICAP 8 Workplan Summary** and gave a brief update on the status of the two RICAP projects. There will be a RICAP 7 presentation at the Citywide Land Use Group on April 27th, and a RICAP 7 hearing at the Planning & Sustainability Commission on April 28th.

Mr. Wood said he heard from a couple commissioners that they wanted to look at the minimum lot requirement in the R2.5 zone. Sandra Wood (BPS) said this will be addressed separately, it was not included in RICAP because the changes are too significant. Mr. Humphrey asked that BPS involve the DRAC early in that discussion, rather than later.

**Next DRAC Meeting:
Thursday, May 21, 2015**

Minutes prepared by Mark Feters, BDS