



City of
PORTLAND, OREGON

Development Review Advisory Committee

Development Review Advisory Committee
MINUTES
Thursday, September 17, 2015

DRAC Members Present:

Claire Carder
Maxine Fitzpatrick
Chris Kopca
Justin Wood

Hermann Colas
Rob Humphrey
Jennifer Marsicek

Phil Damiano
Maryhelen Kincaid
Joe Schneider

City Staff Present:

Fred Deis, BDS
Elshad Hajiyev, BDS
Dora Perry, BDS
Nancy Thorington, BDS
Sandra Wood, BDS

Rebecca Esau, BDS
Kurt Krueger, PBOT
Paul Scarlett, BDS
Christopher Wier, PBOT

Mark Feters, BDS
Kareen Perkins, BDS
Rebecca Sponsel, BDS
Sue Williams, BES

DRAC Members Absent:

David Humber

Dana Krawczuk

Kirk Olsen

Guests Present:

Joshua Klyber, Code Unlimited
John Sandie

Handouts

- Draft DRAC Meeting Minutes 8/20/15
- Inter-Bureau Code Change List
- Non-Cumulative Cost Recovery Report
- BDS Major Workload Parameters
- BDS Budget Preparation Process FY 2016-17
- ITAP Update
- Draft BDS Continuity Plan
- Business Continuity Plan Leading Indicators August 2015
- Fee Comparison Table
- DRAC Workplan with edits

Convene Meeting

DRAC Chair Maryhelen Kincaid convened the meeting and welcomed DRAC members and guests. DRAC members reviewed and approved minutes from the August 20, 2015 DRAC meeting.

Director's Report

BDS Director Paul Scarlett reported that BDS continues to do well regarding cost recovery, and he referenced the handouts **Non-Cumulative Cost Recovery Report** and **BDS Major Workload Parameters**. Approximately 50 vacant BDS staff positions located throughout the bureau remain to be filled. It is still proving challenging to recruit qualified people for open positions, and jobs in the development industry are now paying better. Once the vacant positions are filled, BDS will be slightly larger than it was before the recession.

Mr. Scarlett offered to provide a table showing where vacancies are located throughout the bureau. Ms. Kincaid asked if there is something the DRAC could advocate for that would increase the efficiency of the hiring process. Mr. Scarlett said he will pull together some information.

Mr. Scarlett noted that the City is now requiring that 20% of new City sedan purchases be electric vehicles, and BDS is due to replace a large percentage of its fleet.

Fall 2015 Budget Monitoring Process (BMP)

During each fiscal year, the City gives bureaus opportunities (called Budget Monitoring Processes, or BMPs) to make adjustments to their current budgets. For the 2015 Fall BMP, BDS will ask for a few positions targeted to address specific performance needs.

BDS FY 2016-17 Budget Development

Mr. Scarlett briefly reviewed the handout **BDS Budget Preparation Process FY 2016-17**. The bureau does not anticipate asking for many new positions in its FY 2016-17 budget request.

Mr. Scarlett also discussed DRAC representation on the bureau's FY 2016-17 Budget Advisory Committee (BAC). Ms. Kincaid will participate, and DRAC member Kirk Olsen will be asked to participate in order to bring in a large commercial developer perspective.

Information Technology Advancement Project (ITAP) Update

ITAP Manager Rebecca Sponsel (BDS) distributed and reviewed the handout **ITAP Update** and gave an overview of the current project status and next steps. DRAC member Rob Humphrey expressed appreciation for the update and for the level of complexity of the project.

Ms. Kincaid asked whether the Portland Maps beta is connected to ITAP; Ms. Sponsel said that it is not, but ITAP will integrate with it at some point.

Mr. Humphrey asked whether paper permit submittals will be allowed after ITAP is launched. Mr. Scarlett said they will be allowed, and that it's an equity issue – not everyone has a computer or access to online services.

BDS Business Continuity Plan

BDS Finance Manager Elshad Hajiyev reviewed the handouts **Draft BDS Business Continuity Plan** and **Business Continuity Plan Leading Indicators August 2015** and gave an overview of changes that have been made to the Plan since it was last presented to the DRAC.

DRAC member Phil Damiano asked about adding triggers for changes based on high increases in revenues and/or workload, such as what BDS has been experiencing. Mr. Hajiyev said that will be addressed once this Plan is adopted. DRAC member Chris Kopca suggested that this be addressed sooner given BDS's continued high revenues and the upcoming FY 2016-17 budget process. He is interested in seeing if fees can be reduced, and is concerned that carrying a large reserve balance may work against BDS when City Council makes budget decisions. Mr. Scarlett said this will be addressed during budget development. Mr. Hajiyev said that BDS's fees are calculated as part of the bureau's 5-year financial planning process, and more information on this will be available next month.

A discussion ensued regarding how best to share the information in the **Leading Indicators** report with the DRAC. Mr. Damiano suggested noting on the **Workload Parameters** report when a workload measure goes in the red.

Once the Plan is finalized, the bureau intends to present it to City Council.

Public Works Permitting Update

Chris Wier (PBOT) gave an update on the Public Works Permitting process, including:

1. Work Volume – They have seen a large increase in work over the past year, measured by the number of project starts, and the number of Public Works permits issued. They expect workload to stay high through the winter. This has caused timelines to be pushed out, particularly in early phase of process.
2. Rules for Fees – The current temporary fee structure puts projects into “buckets” based on project size and other factors. In next month or so, they will be taking a code amendment to Council to make the fee structure permanent. Once the fee structure is approved, they will put a fee calculator (spreadsheet) on their website so customers can calculate their own fees.

Ms. Kincaid suggested that it would be good to have more information on fee methodology, as the DRAC may be working on development fees as part of its Workplan.

Sue Williams (BES) said they did a survey regarding the fee structure, and most developers like it for its predictability.

3. Changes to Alternative Review/Appeals Process - Kurt Krueger (PBOT) said that as of July 1st, they have given review staff more discretion in decision-making in order to resolve issues without applicants having to go through appeals. This has resulted in a significant decrease in the number of appeals, which is saving time and costs for applicants and the City. They are working quickly to develop a fee for developers to pay for projects on unimproved streets. Mr. Humphrey expressed appreciation for the changes and how they've improved the process.

Neighborhood Demolition Resource / Demolition Tax Proposal

Ms. Kincaid discussed a resource being put together that would list homes that neighborhoods may be interested in preserving. This project has been presented to Commissioner Saltzman, who felt it could be a good resource for the neighborhoods.

Ms. Kincaid then initiated a discussion regarding the Mayor's proposal to apply a \$25,000 tax to demolitions, particularly since he did not consult neighborhoods or the DRAC. Because of the work that was done by the Demolition Subcommittee, she recommended that the DRAC make a statement to the Mayor regarding the importance of consulting the DRAC on these sorts of issues.

DRAC member Justin Wood said that the DRAC is supposed to be an advisory committee on development issues, but the City continues to make policy proposals without consulting the DRAC. He expressed frustration that proposals are going to the City Council without the DRAC having the opportunity to weigh in. Mr. Humphrey added that it appears that the Mayor listened to parties opposed to demolitions, then came up with this proposal.

Ms. Kincaid said that she agrees with those comments. The proposal misses the point that everyone wants to save historically significant houses, but the challenge is to identify them. Mr. Wood said the proposed tax will hit starter homes harder than the high-end homes, impacting housing affordability for lower-income buyers.

DRAC member Claire Carder said that the discussion at Neighborhood Coalition meetings is about demolitions and what's replacing demolished homes. The new homes being built are too expensive for the surrounding neighborhoods.

DRAC member Maxine Fitzpatrick asked whether a decision on the proposal had been made, and what the DRAC could do about it. The concern with demolition is the preservation of neighborhood culture. Mr. Scarlett said that the Mayor's proposal is still a proposal at this point, and there is an opportunity to put together communication to the Mayor regarding the proposal and alternative options. BDS has already expressed its concerns regarding the proposal to the Mayor's Office; Oregon Revised Statutes (ORS 320.170) say that local governments cannot impose a tax on development. A fee is when a benefit is received; a tax is when no benefit is received. The tax (if approved) would not be collected by BDS.

DRAC member Hermann Colas expressed interest in knowing how the Mayor's proposal was developed, and who was involved. Mr. Scarlett said some take the perspective that the Demolition Subcommittee didn't go far enough in its work because it didn't stop demolitions. The thought is that applying a tax to demolitions will stop some of them. Mr. Colas replied that for a lot of development, a \$25,000 tax won't be enough of a deterrent, but it will be a problem for non-profit organizations involved in development.

Mr. Kopca said that the problem isn't the \$25,000 tax. The City's plans promote increased density, which is what's happening. The problem is really a question of how the City wants to develop. If the City wants to change the outcome (increased density), they need to change their plans.

Ms. Carder proposed that the DRAC form a small subcommittee to draft a letter in response to the Mayor's proposal, to be submitted before the October 14th hearing on the proposal.

She also proposed that one or more DRAC members attend the hearing. This proposal was approved by the DRAC, with the subcommittee to include DRAC members Justin Wood, Maxine Fitzpatrick, Maryhelen Kincaid, and Rob Humphrey. Subcommittee members will draft a letter, which BDS will distribute to all DRAC members for approval.

Mr. Kopca said that the letter should re-introduce the DRAC's role as an advisory body on development issues. Mr. Humphrey said the letter should include an offer for the Mayor's staff or others involved in developing the proposal to meet with the DRAC.

DRAC Workplan Update/Discussion

Ms. Kincaid reviewed the handout **DRAC Workplan with edits**. The edits in red reflect her input on how the Plan can be updated and help DRAC move forward. Mark Feters (BDS) will send the handout to DRAC members for their review and input, and time for discussion will be reserved in an upcoming DRAC meeting.

BDS Equity Plan/Roadmap

BDS Equity & Policy Manager Dora Perry said that City bureaus are currently developing Equity Roadmaps to guide them toward City equity goals. BDS is in the last group of bureaus to work on this, and will be reporting back to City Council in the near future. Ms. Perry said she will have more information to share at future DRAC meetings.

Cumulative Development Fees

Mr. Scarlett referenced the handout **Fee Comparison Table**, which provides an overview of increases in City development-related fees over the last few years. Ms. Kincaid said that it would help to know what services are provided related to each fee. Staff said that this information can be provided.

Other

Sandra Wood (BPS) said that the Stakeholder Advisory Committee for the City's Residential Infill Project just had its first meeting on September 15th. Mayor Hales was present. The project is focused not on demolitions, but on development, including:

- The scale of houses on standard lots
- Narrow lots
- Alternative development options

**Next DRAC Meeting:
Thursday, October 15, 2015**
Minutes prepared by Mark Feters, BDS