



City of
PORTLAND, OREGON

Development Review Advisory Committee

Development Review Advisory Committee
MINUTES
Thursday, November 19, 2015

DRAC Members Present:

Claire Carder	Phil Damiano	Maxine Fitzpatrick
Rob Humphrey	Maryhelen Kincaid	Christopher Kopca
Joe Schneider	Justin Wood	

City Staff Present:

Tim Crail, Comm. Fritz's Office	Fred Deis, BDS	
Jillian Detweiler, Mayor Hales' Office		Cindy Dietz, Water
Rebecca Esau, BDS	Matt Grumm, Comm. Saltzman's Office	
Ross Jonak, BDS	Kurt Krueger, PBOT	Kareen Perkins, BDS
Dora Perry, BDS	Andy Peterson, BDS	Paul Scarlett, BDS Director
Katie Shriver, Comm. Novick's Office		
Deborah Sievert Morris, BDS	Deborah Stein, BPS	Nancy Thorington, BDS
Sue Williams, BES	Sandra Wood, BPS	

DRAC Members Absent:

Hermann Colas	David Humber	Dana Krawczuk
Jennifer Marsicek	Kirk Olsen	

Guests Present:

Jeff Fish, Fish Construction NW

Handouts

- Draft DRAC Meeting Minutes 10/15/15
- Inter-Bureau Code Change List
- Non-Cumulative Cost Recovery Report
- BDS Major Workload Parameters
- Business Continuity Plan Summary October 2015
- BDS Budget Preparation Update
- Large Tree Mitigation Proposal 11-03-15
- Residential and Open Space Zoning Map
- Demolition Tax Proposal
- DRAC Work Plan w/edits

Convene Meeting

DRAC Chair Maryhelen Kincaid convened the meeting and welcomed DRAC members and guests. DRAC members reviewed and approved minutes from the October 15, 2015 DRAC meeting.

Director's Report

Deborah Sievert Morris (BDS) reviewed the handout **BDS Budget Preparation Update** and discussed the involvement of stakeholders in the development of BDS's annual budget request. She also referenced the handouts **Non-Cumulative Cost Recovery Report** and **BDS Major Workload Parameters**.

Design Commission Update

Rebecca Esau (BDS) gave a brief update on the Design Commission. The Commission normally meets twice per month, but anticipates their workload increasing. Staff has been meeting with Mayor Hales and Commissioner Saltzman to explore options to increase the Commission's capacity. One idea is to create two smaller Commissions – one for the Central City, the other for everywhere else.

Ms. Kincaid said that there are significant differences between issues in the Central City and elsewhere, and that could be a logical way to divide the Commission. DRAC Member Christopher Kopca said that having two Comissions is a good idea, but it will be important to maintain the balanced perspective of the current Commission in the smaller Commissions.

Ms. Esau said options will be discussed at the Commission's retreat on December 1st. Any changes will likely require a code change.

Tree Code Amendment

Rick Faber (Urban Forestry) reviewed the handout **Large Tree Mitigation Proposal 11-03-15** and described the Parks Bureau's proposal to change the Citywide Tree Code in relation to large trees. When a tree near 45 inches in diameter is put on a tree plan, Urban Forestry would inspect, document, and determine whether the proposed higher fees would apply. Mieke Keenan (BDS) said that she had produced a report showing that 11 trees would have been impacted under the proposed code change over the past year.

Ms. Kincaid said that the proposal is complicated and will be difficult for review staff and the community to understand. She felt that creating a complex, cumbersome process for a relatively small number of trees was not worth it.

Mr. Kopca asked about the process of developing the proposal, but Mr. Faber said that he was not able to speak toward the process. Mr. Kopca then asked DRAC members to consider opposing the proposal on procedural grounds.

DRAC Member Justin Wood said that he was one of four individuals who resigned from the Tree Code Oversight Committee over process issues. He said that this proposal has been billed as a stop-gap measure to address an emergency, when actually it impacts only a small number of trees. The proposal did not come from the Oversight Committee. He said that he would support Mr. Kopca's suggestion for the DRAC to oppose the proposed code amendment.

DRAC Member Phil Damiano said that he was another of the Oversight Committee members who resigned. He said that the Tree Code just went into effect in January 2015, and that more time is needed to review the Tree Code's implementation before amendments are made.

DRAC Member Joe Schneider asked who developed the fee structure in the proposal. Mr. Faber said that he understood that it came from Commissioner Fritz's office.

Mr. Wood wondered why the City Council felt that such a small number of trees constituted an emergency. Tim Crail (Commissioner Fritz's Office) said that initial information indicated that there were 18 trees of 48" diameter or greater that would have been impacted by the amendment.

Mr. Crail said that the amendment has been proposed because the public has not been happy with the removal of large trees. City Council wants to do something quickly on an interim basis, giving time for proposals from the Oversight Committee to be reviewed for longer-term solutions. BDS Director Paul Scarlett said that there are ongoing conversations with the Parks Bureau about the specifics of the proposal.

On January 12, 2016, the proposal will be heard by the Planning & Sustainability Commission, and they will then make a recommendation to the City Council.

Ms. Kincaid added that the proposal complicates protecting environmental overlay zones, and she agreed that the process of developing the proposal circumvented the Oversight Committee. She felt that a few people persuaded decision makers to go forward with a proposal that will be counter-productive.

Mr. Crail repeated that City Council has agreed that they want to do something quickly on an interim basis, with a goal of saving large trees. It's not a question of whether something will be done, it's a question of what will be done. Matt Grumm (Commissioner Saltzman's Office) said that Commissioner Fritz has initiated a code change that is going through the normal, required process. He said he understands that the DRAC might not support it, and that Commissioner Saltzman isn't sure on his position. He stressed that City Hall is bombarded with citizen concerns about large trees, and the Council has responded. City Commissioners have the right to initiate Code changes. DRAC Member Rob Humphrey said that before code changes are proposed, decision makers should talk with City staff who implement the code and others who work with it to see if there really is a problem.

Mr. Wood asked whether it would have made a difference if the Council had come to staff first and discovered the small number of trees that would be impacted. Mr. Grumm said he didn't think so; the proposal is in response to the passion expressed by the community, rather than to the number of trees impacted.

Guest Jeff Fish (Fish Construction NW) asked why, if an emergency exists, it took several years to implement the Tree Code itself. He said that homelessness and other issues are the real emergencies.

Mr. Wood suggested the City get people working on the bigger picture of how the calls for continuing increased density in the Comp Plan mesh with not wanting to cut down trees and demolish structures. There needs to be a comprehensive solution rather than dealing with these issues piecemeal, and the impact on affordable housing needs to be reviewed.

Mr. Damiano said that the Parks Bureau issued a tree canopy report in 2012 showing that the city's tree canopy was growing. He suggested that the report be updated to show the current tree canopy and determine whether the new Tree Code is having an impact on tree removals and the canopy. He questioned how an emergency decision can be made without that information,

Mr. Wood moved that the DRAC oppose the proposal and that the Tree Oversight Committee be given time to review it. Mr. Crail responded that the Oversight Committee looked at the proposal last week and approved it with some changes. Mr. Kopca said that with the four resignations, the Oversight Committee is no longer balanced. Ms. Esau said that before the resignations, the Oversight Committee had a draft recommendation that was close to being finished. She suggested that the draft recommendation be used to suggest amendments to the current proposal.

Mr. Wood then amended his motion; he moved that the DRAC oppose the proposal and ask the City Council to explore the draft recommendation from the Oversight Committee prior to the resignations. The motion was seconded and approved unanimously.

October 2015 Meeting Minutes

DRAC members reviewed and approved the minutes from the October 15, 2015 DRAC meeting.

Director's Report (continued)

Mr. Scarlett reviewed several of the financial handouts. BDS's cost recovery continues to be strong (135%) and is close to where it was at the same time last year. He noted the tie between data in the **Workload Parameters** handout and the **Business Continuity Plan Summary**. There are a couple indicators in red on the summary that are being watched and followed-up on.

Bureau Organizational Assessment

Mr. Scarlett gave an overview and update on the organizational assessment being undertaken by BDS. The bureau has contracted with Coraggio Group to facilitate the process and produce a report with recommended changes. The report is near completion and will go to Commissioner Saltzman for review next week. The report will be shared with the DRAC once it's finalized. The report is internal in its focus, looking at BDS's organizational health, culture, and internal communication. Information from the report will feed into the bureau's strategic plan. There may be something in the media about it in the near future, and some information is available in the most recent issue of the *Plans Examiner* newsletter (<http://www.portlandoregon.gov/bds/69123>). More will be shared at the next DRAC meeting about all of the bureau's current initiatives and how they relate to one another.

Zoning Map Amendments

Deborah Stein (BPS) distributed the handout **Residential and Open Space Zoning Map** and gave a brief presentation on the proposed changes. More information is available at www.portlandoregon.gov/bps/residentialzoning. The Residential Infill Project will go into effect prior to this proposal. Comments on the Discussion Draft are due by December 21, 2015.

Ms. Stein said they are proposing to downzone some areas in the David Douglas school district in response to overcrowding. School capacity is being viewed as infrastructure. A discussion ensued, with DRAC members questioning the rationale for downzoning areas in one school district, when other areas where various infrastructure capacities might dictate a need for downzoning aren't similarly addressed. Mr. Kopca expressed concern that City infrastructure bureaus could advocate for downzoning for other areas of the city for a variety of reasons, leading to unpredictability in zoning.

Ms. Stein said that the City will be working with the David Douglas school district to resolve the capacity issues. Mr. Wood questioned how the school district's construction excise tax money has been used, since it's supposed to be use to increase capacity. Mr. Wood asked what will happen when Measure 49 claims come in on downzoned properties; Ms. Stein said that BPS has been in consultation with the City Attorney's office, and will deal with claims on a case-by-case basis.

Revised Demolition Tax Proposal

Jillian Detweiler (Mayor Hales' Office) distributed the handout **Demolition Tax Proposal** and gave an overview of the proposal. The proposal establishes a \$25,000 tax on demolitions, to be collected by the Revenue Bureau. BDS will inform Revenue at the time of permit issuance, and then Revenue will provide a 30-day notice to pay. If the tax is not paid, the property will be liened. Mr. Wood replied that developers will likely leave the lien for the buyer to pay. She noted that the checkmarked items in the handout are proposals moving forward; the other items were considered but not selected.

Mr. Wood said that the pushback from the neighborhoods regards larger homes being demolished. A \$25,000 tax won't affect big homes that are being replaced by larger ones, but it will impact more affordable housing, making it less affordable.

Ms. Detweiler said that they looked at mechanisms for graduating the tax, maybe requiring an appraisal, but she was reluctant to recommend something that would hinder the permitting process. Mr. Wood suggested using the County-assessed value of the property, and establishing a valuation floor below which the tax wouldn't apply. He said he discussed this idea with Mayor Hales at a demolition site a couple months ago.

Mr. Grumm said that there is discussion about a rebate based on the sale price of the replacement home. Commissioner Saltzman wants to see the tax money put into affordable housing, but is concerned about the impact on the affordability of housing.

Ms. Detweiler asked DRAC members if there is an amount that would discourage demolitions of larger homes in nice neighborhoods. Ms. Kincaid said that at the City Council hearing on the proposed tax, a developer said that it wouldn't matter what the amount is. Ms. Kincaid said that she agrees with Mr. Wood on the need to establish a floor for applying the tax. Also, the neighborhoods feel that there should be an incentive for deconstruction.

Ms. Detweiler clarified that the tax will be charged once to duplexes and triplexes, rather than per unit. Ms. Esau said that the way the proposal is written now, it would apply to a main house or an accessory structure (ADU). Ms. Detweiler said the tax is not meant to apply to ADUs.

DRAC Member Claire Carder said that the proposal will impact affordability and discourage the replacement of some housing stock that needs to be replaced. Mr. Fish said the proposal will also drive up lot prices by decreasing the supply of buildable lots.

After further discussion, Mr. Wood put forward a motion that the DRAC write a letter to Mayor Hales and the City Council opposing the proposal, to include:

- Concerns about housing affordability and the non-inclusive process of developing the proposal;
- A request for a clear definition of the problem the proposal is trying to solve;
- A recommendation for further investigation;
- The establishment of a valuation floor for lower-priced homes if the proposal moves forward.

The motion was seconded and approved unanimously. Mr. Wood and Ms. Carder volunteered to work on the letter.

Ms. Detweiler noted that the proposal is scheduled to go to City Council on November 25th.

Other

Ms. Kincaid said that there will be discussion at the next DRAC meeting regarding DRAC member category changes.

Sandra Wood noted that BPS took the Accessory Structure Project to City Council yesterday, and Commissioner Fritz has proposed an amendment to not allow ADUs within the setback. Oral testimony is closed, but they will be taking written testimony until December 2nd.

Next DRAC Meeting:
Thursday, December 17, 2015
Minutes prepared by Mark Feters, BDS