



Office of Mayor Ted Wheeler
City of Portland

Date: February 1, 2017

TO: Andrew Scott, Director, City Budget Office
Tom Rinehart, CAO, Office of Management & Finance

CC: Commissioner Eudaly
Commissioner Fish
Commissioner Fritz
Commissioner Saltzman

FROM: Mayor Ted Wheeler
Commissioner of Finance & Administration

RE: Direction to CBO and OMF regarding development permit fees and charges

As you are well aware, I am intent on having City Council and the bureaus of the City work together to help increase the supply affordable housing in our community. I appreciate the efforts of the City's GATR (Government Accountability Transparency Results) process, but the time to take action on some key items is now.

On the issue of permit fees and charges on development, the City must take a holistic look at all of the fees placed on development. Currently, the bureaus adjust their respective fees in isolation, without the broader context necessary to achieve enterprise-wide objectives.

I request that you work together with bureaus to identify potential mechanisms to alleviate costs to encourage and enable the faster production of housing, including the waiver of fees for the cost of affordable housing (as defined through the System Development Charge exemption) and reduction of fees for the cost of other "workforce" residential development (as defined in the Construction Excise Tax exemption).

Further, I request that while CBO and OMF continue the good work of the GATR sessions to engage the bureaus, both should also evaluate and contextualize fees through the budget process and provide City Council with recommendations on what fees should be raised, reduced, eliminated or re-purposed. This work can serve as a template for what I envision as an annual exercise.

Building on the GATR session, I am directing City bureaus that review development permits – including Bureau of Development Services (BDS), Portland Bureau of Transportation (PBOT), Fire Bureau (Fire), Water Bureau (Water), Bureau of Environmental Services (BES), and Parks – to examine and propose a feasible implementation strategy to reduce development review timelines as much as practical.

Lastly, I request that BDS create a single case manager service for affordable housing where qualified affordable housing developments are prioritized for review and approval.

Because this will all inform my proposed budget, I want to have actionable items by April 7, 2017.

Thank you all for providing critical leadership during Portland's Housing Emergency as we look at every opportunity to optimize efficiencies our system towards the creation of greater housing stock and affordability.