



City of
PORTLAND, OREGON

Development Review Advisory Committee

Development Review Advisory Committee
Meeting Minutes
Thursday, June 15, 2017

DRAC Members Present:

Jeff Bachrach
Maryhelen Kincaid
Joe Schneider

Claire Carder
Dana Krawczuk

Rob Humphrey
Jennifer Marsicek

City Staff Present:

Claire Adamsick, Comm. Fritz's Office
Rebecca Esau, BDS
Sarah Huggins, Parks
Andy Peterson, BDS
Marshall Runkel, Comm. Eudaly's Office
Kim Tallant, BDS
Sandra Wood, BPS

Mark Feters, BDS
Mitch Nickolds, BDS
Elisabeth Reese Cadigan, BES
Nancy Thorington, BDS
Jody Yates, PBOT

Dan Cote, BDS
Elshad Hajiyev, BDS
Dora Perry, BDS
Joel Smith, Urban Forestry
Terry Whitehill, BDS

Guests Present:

Nick Daniken, Builder
Joshua Klyber, Code Unlimited

Jeff Fish, Fish Construction NW

DRAC Members Absent:

Hermann Colas
David Humber
Mitch Powell

Maxine Fitzpatrick
Christopher Kopca
Justin Wood

Michael Harrison
Kirk Olsen

Handouts

- Draft DRAC Meeting Minutes 04/20/17
- Draft DRAC Meeting Minutes 05/18/17
- Inter-Bureau Code Change List
- Non-Cumulative Cost Recovery Report
- BDS Major Workload Parameters
- Code Reconciliation & Map Refinement Projects
- Updating the Neighborhood Contact Process for New Development
- DRAC Workplan
- Upcoming City Council Agenda Items

Convene Meeting

DRAC Chair Maryhelen Kincaid convened the meeting and welcomed DRAC members and City staff. Kincaid recognized Water Bureau employee Cindy Dietz, who is retiring. DRAC members applauded Dietz' years of service and work to improve development review processes.

A quorum was not present, so minutes from the April 20, 2017 and May 18, 2017 DRAC meetings could not be approved.

Director's Report

BDS Director Rebecca Esau greeted DRAC members and attendees. Esau noted the recent passing of BDS employee Rick Best and expressed appreciation for the support Best's family and BDS has received from customers and the community.

Representatives from the other City development bureaus are now involved with the DRAC Chairs and BDS in planning DRAC meeting agendas. BDS is also making a conscious effort to bring things to the DRAC's attention sooner, so the DRAC can more fully exercise its advisory role.

Esau met recently with the Portland Home Builders Association (HBA), and will be meeting monthly with an HBA subcommittee.

BDS Land Use Services (LUS) has started sending land use notices to renters. LUS also expanded its services to customers by taking responsibility for recording final land use decisions as of June 9, 2017. This change is saving time for customers and staff.

Esau reported that Transportation (PBOT) is making progress on hiring staff.

Recently Esau asked BDS staff for ideas on reducing wait times in the Development Services Center (DSC) and received over 50 replies. The ideas are currently being reviewed. Esau suggested establishing a DRAC subcommittee to review the ideas and help select ideas to be implemented. DRAC Vice Chair Rob Humphrey asked for the list of ideas to be distributed along with a schedule of subcommittee meetings.

Development Bureau Director Meetings

There has been one Development Bureau Director Meeting so far. At the next meeting they will focus on creating a charter for the group and starting a workplan.

Code Reconciliation Project & Updates to Neighborhood Contact Process

Barry Manning (BPS) reviewed the handout ***Code Reconciliation & Map Refinement Projects*** and gave an overview and update on the projects.

DRAC Member Dana Krawczuk reported hearing rumors that the effective date of the project may be delayed. Wood said they should know by September 2017 whether the date will move from the planned effective date of January 1, 2018. Manning said the Code Reconciliation discussion draft will go out in July 2017 for 4-5 weeks for public review. They plan to take the draft to the Planning & Sustainability Commission in October – November 2017, then to the City Council in December 2017 or January 2018. Manning gave a few examples of code sections that will be included in the project, and said it will affect numerous City Code titles.

Manning then distributed and reviewed the handout ***Updating the Neighborhood Contact Process for New Development***, which summarized proposed changes to the contact process. Staff from BPS, BDS, and ONI are brainstorming on using more contemporary methods for notification.

DRAC Vice Chair Rob Humphrey asked whether the development community is involved in the discussion. Manning replied that only City staff are involved at this point, but they would be interested in engaging members of development community and neighborhoods.

Humphrey asked if they are considering making the outcomes of meetings with the neighborhoods binding; Manning said it is just a notification and opportunity for discussion.

Kincaid said that too many people get notified in too many different ways, and that there should be a consistent process to engage the public. ONI's neighborhood contact information isn't always reliable, which has led other bureaus to develop their own contact lists. Kincaid said it would be great if all bureaus had access to the same contact data. Manning replied that ONI is involved in this project partly because of this issue of confusion over notices. The challenge for this project is that notices differ in type. They are in conversation with ONI to see if they can link up to information/data sources that are available.

Mitch Nickolds (BDS Inspections) said they receive many calls from residents and business owners regarding impacts from development projects. Nickolds expressed interest in participating in the meetings in order to discuss development impacts.

Kincaid said it will be very important to make sure that participants in informational meetings have realistic expectations about those meetings.

DRAC Member Claire Carder said that people are overwhelmed with notifications now because development is at such a high level, but it won't always be this way. The City needs to design the notification process to reflect more normal circumstances.

Marshall Runkel (Comm. Eudaly's Office) said it isn't clear why the City notifies people about non-discretionary decisions that they have no formal ability to influence. The focus should be on improving notification when people do have the ability to influence decisions. Kincaid replied that it is still helpful for the neighborhoods to know when things are happening, even if they can't change them. It will just be important to make sure that people know whether they can have input in the decision or not. It's better to over-notify than under-notify. Krawczuk said that people can still appeal decisions and slow down projects.

Humphrey said this is reminiscent of the demolition notification process – a good neighbor policy to let people know that development is coming.

Humphrey asked whether the groups that brought this issue forward are asking for more than what's being proposed. Manning said they are, and BPS is trying to balance the code requirements with the desires of some to have more control over development in their neighborhood. They're trying to determine how to provide enough information in the notices about what the code allows so that people can see how the projects meet code.

Kim Tallant (BDS Land Use) said the proposed notification process could delay a project by 45 days. Manning said this is still being discussed, but 45 days would be the maximum.

DRAC Member Joe Schneider suggested changing the use of the word "must" in the proposed language, because it creates an opportunity for appeal. Manning said they tried to match the wording in the current City Code.

Humphrey asked why neighborhood notification cannot take place while the project is under review, instead of prior to permit application. Esau replied that the original intent was to have an early conversation so that the project design could be modified (if desired) before permit submittal.

Kincaid said that if people aren't involved in their neighborhood associations, they don't get any information about development and what they can do about it. Part of this project needs to look at how neighbors get involved in the process.

Humphrey and Esau discussed the creation of unrealistic expectations and frustration on the part of neighbors who think they should have the right to influence projects and design.

Joel Smith (Forestry) expressed strong support for notification to neighbors, because on many occasions projects are influenced by other projects in the neighborhood. Humphrey also expressed strong support for notification, but took issue with requiring a mandatory meeting where neighbors feel they can influence non-discretionary decisions.

Krawczuk and Manning discussed FARs (Floor Area Ratios). Manning said they are looking at how existing FARs are cast. They're not really readjusting FARs, though it may look that way in some instances.

Humphrey expressed support for including relevant code references in the notice, so people can see how a given project meets the code. This will redirect frustration from developers to the code. Esau said there are logistical challenges to including code references, as the City will be sending the notice early in the process before reviews have been done. Humphrey said that lends support to not sending the notice after the permit is under review.

Kincaid said there are also instances where developers have done the wrong thing. The neighborhoods aren't causing all the problems; there are examples of mistakes and bad communication on both sides.

Guest Jeff Fish expressed agreement with Humphrey and Kincaid's comments, and shared instances when neighborhoods challenged him on projects that met code requirements.

Andy Peterson (BDS Plan Review & Permitting) said the proposed notification process will slow down development review, and represents another requirement that takes staff time away from reviewing and issuing permits. No additional BDS staff resources are available to devote to it. Manning said that BPS is not recommending that BDS mail notices to all addresses; they are thinking about requiring applicants to post notices onsite.

Guest Nick Daniken said that development projects change from the time of concept to permit issuance based on reviews. If developers meet with the neighborhood too early, the finished product will be different than what was shared with the neighbors.

Recognition of DRAC Members Dana Krawczuk & David Humber

Esau recognized Dana Krawczuk and David Humber, who are completing their second 3-year terms of service and stepping down as DRAC Members. DRAC members and City staff expressed appreciation for their contributions over 6 years of service.

DRAC Workplan

Kincaid referenced the handout **DRAC Workplan** and asked DRAC members for input on what should be included going forward.

Nancy Thorington (BDS) gave an update on the Demolition Subcommittee, which last met in February 2017. The Subcommittee will be meeting tomorrow (June 16), next Monday, and next Tuesday to review recommendations made to the City Council and issues that have come up, including hazardous materials. More information is available on the Subcommittee website (<https://www.portlandoregon.gov/bds/66766>).

Esau mentioned that the City Auditor is just wrapping up an audit of the Citywide Tree Code implementation.

Bachrach asked whether a Citywide committee or group is looking at SDCs. Runkel said no one is currently looking at SDCs, but there is an opportunity for the DRAC to take a leadership role. The process is siloed in the development bureaus. Sarah Huggins (Parks) said that development bureau staff meet quarterly to discuss SDC fees, and it could be addressed at the director level in the Development Bureau Director meetings. Esau agreed that it would be good to add SDCs to the workplan for that group. After further discussion, it was decided to keep SDCs in the DRAC Workplan.

Elisabeth Reese Cadigan (BES) recommended that the Public Works item be removed from the Workplan, as it has been accomplished.

Kincaid said the goal is to make a presentation annually to City Council on the Workplan, highlighting what the DRAC has accomplished and what is still needed.

Members also decided to keep the Service Level Subcommittee.

Pulse of the Industry

Esau asked DRAC members for updates from their sectors, and asked whether they are seeing development plateauing.

Krawczuk said they are not seeing new multifamily development. Fish said they are still building, but can't find enough qualified workers.

Humphrey said that a larger multifamily builder called him yesterday and said that inclusionary housing regulations have taken him out of the Portland market for future work. His last current project will wrap up in 18 months.

City Commissioner Chloe Eudaly

Kincaid welcomed Portland City Commissioner Chloe Eudaly and DRAC members and City staff introduced themselves to the Commissioner. Eudaly expressed appreciation for the DRAC and its work on behalf of the City and its development.

In reference to Humphrey's earlier comment regarding a multifamily developer leaving Portland due to inclusionary housing rules, Eudaly asked Humphrey for his impression of the rules. Humphrey said the earlier comment was not an opinion, but rather a reflection of what is happening in the industry. The developer pointed directly to inclusionary housing as the reason for leaving Portland, because it was inhibiting the ability to get funding for projects. Humphrey said other developers have said the same thing. Schneider reported hearing the same story anecdotally – that developers are leaving Portland because of inclusionary housing. Krawczuk said it seems that the program's incentives aren't calibrated to make up for losses.

Eudaly said it's not good to hear that developers are leaving, but it also isn't good if 85-90% of multifamily development is luxury housing that isn't being rented. Bachrach said that Portland's inclusionary housing rules are among the most aggressive in the country. Humphrey suggested Eudaly talk with the lenders, to see what their issues are.

Fish said the City needs to review inclusionary housing and landlord/tenant policy. Fish is seeing single family rental homes being sold and moving from rentals to owner-occupied, driving up the price of remaining rentals.

Humphrey asked whether the inclusionary housing policy has a sunset or timeline for review. Eudaly said there is no sunset, but there is nothing to prevent reviewing the policy. Eudaly expressed concern about what DRAC members were sharing. Runkel said the Mayor has also expressed concerns about the policy, and it would not be surprising to see it reviewed at some point. Peterson thought a requirement for review of the policy after 2 years was written into the rules.

Eudaly encouraged DRAC members to forward further concerns to her office. Esau suggested a work session on inclusionary housing involving lenders, developers, and other stakeholders; Eudaly will follow up. Bachrach said that not many applications are coming in under inclusionary housing, so the City can't wait too long to revisit and address issues. Carder suggested sending a DRAC representative to LOCUS (<https://smartgrowthamerica.org/program/locus/>) to get their perspective on the issue.

Eudaly said that BDS and the Office of Neighborhood Involvement (ONI) will be in her portfolio going forward. Eudaly said it has been a busy year – a continued high level of development, inclusionary housing, and the change in leadership at BDS. Eudaly is looking forward to working with the DRAC. Eudaly expressed appreciation for Esau stepping into the interim leadership role, and said there will be a national search for a permanent director. Eudaly will open the permanent recruitment at the end of summer, and hopes to name a permanent director by the end of 2017.

Eudaly will focus on 4 areas as Commissioner:

1. Breaking down silos between City bureaus. There is a need for better communication and collaboration, particularly between the development bureaus.
2. Design Overlay Zone Assessment (DOZA) implementation (<https://www.portlandoregon.gov/bps/70324>); making the process more user-friendly and clearing bottlenecks.
3. People, tools, and systems: implementing the Portland Online Permitting System (POPS); offering competitive wages and benefits in order to attract talent.
4. Equity and inclusion.

Kincaid said the DRAC wants to know how it can help Eudaly; Humphrey added that the DRAC can help Eudaly and the City achieve its goals.

The next DRAC meeting is scheduled for Thursday, July 20, 2017.
Minutes prepared by Mark Feters (BDS)