



City of
PORTLAND, OREGON

Development Review Advisory Committee

Development Review Advisory Committee
Meeting Minutes
Thursday, July 20, 2017

DRAC Members Present:

Jeff Bachrach
Rob Humphrey
Justin Wood

Claire Carder
Maryhelen Kincaid

Hermann Colas
Joe Schneider

City Staff Present:

Shannon Carney, Budget Office
Rich Eisenhauer, PBOT
Mark Fetters, BDS
Anne Hill, PBOT
Kurt Krueger, PBOT
Dora Perry, BDS
Marty Stockton, BPS

Ross Caron, BDS
Rebecca Esau, BDS
Kate Green, BDS
Stephen Himes, BES
Phil Nameny, BPS
Andy Peterson, BDS
Raul Torres, BDS

Ryan Curren, BPS
Rick Faber, Forestry
Elshad Hajiyev, BDS
Sarah Huggins, Parks
Mitch Nickolds, BDS
Deborah Sievert Morris, BDS

Guests Present:

Nick Daniken, Builder
Allison Reynolds, Perkins Coie

DRAC Members Absent:

Maxine Fitzpatrick
Jennifer Marsicek

Michael Harrison
Kirk Olsen

Christopher Kopca
Mitch Powell

Handouts

- Draft DRAC Meeting Minutes – April 20, May 18, & June 15, 2017
- Inter-Bureau Code Change List
- BDS Major Workload Parameters
- SW Corridor Equitable Housing Strategy
- Map Refinement Public Comment
- Map Refinement Draft Changes by Criteria
- Code Reconciliation & Map Refinement Projects
- Park SDC Residential Alterations & Additions
- DRAC Workplan
- Draft DRAC Letter to Council re: PBOT Development Fees
- Transportation SDC Overview
- Demolition Subcommittee Agendas 6/16 – 6/20/17
- SB 871 Enrolled Summary
- Upcoming City Council Agenda Items

Convene Meeting

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

SW Corridor Equitable Housing Strategy

Ryan Curren (BPS) reviewed the handout *SW Corridor Equitable Housing Strategy* and gave an overview of the project.

Interim BDS Director Rebecca Esau asked what BPS anticipates regarding the timing of changes to the Zoning Code. Curren replied that it depends on each change. They anticipate recommending a package of changes, but the individual changes will be implemented sequentially. The timing also depends on the transit project meeting its timelines.

DRAC Vice Chair Rob Humphrey asked for examples of new funding that would be pursued. Curren said the big ticket items would be voter-approved; maybe a regional bond. They are considering the idea of very targeted urban renewal areas focused on housing and preservation. Metro is looking at a construction excise tax. Locally, they are looking at philanthropy – endowments.

Humphrey asked who BPS envisions doing the actual construction. Curren replied that it depends on the funding source. Bond money requires public ownership; otherwise, they could use the typical Housing Bureau process of making funds available for developers to compete for.

DRAC Member Hermann Colas asked whether policies will limit capital funds coming in from outside the local area – even internationally. Curren said they are not looking at that now, but it is an issue, since the source of the funds can influence development.

BDS Inspections Services Manager Mitch Nickolds asked whether there is alignment between Tigard and Portland. Curren said there generally is alignment; Tigard doesn't have the same resources, but is partnering with Portland.

Curren said that a community forum on the project will take place in October 2017. More information on the project is available at <https://www.portlandoregon.gov/bps/73445>.

Approve Meeting Minutes / Recognition

DRAC members reviewed and approved minutes from the April 20, 2017, May 18, 2017, and June 15, 2017 DRAC meetings.

Kincaid recognized BDS Business Operations & Finance Services Manager Deborah Sievert Morris, who was retiring after 31 years of service with the City of Portland. Kincaid then introduced Elshad Hajiyev, who will be replacing Sievert Morris on an interim basis.

2035 Comp Plan Map Refinement Project

Marty Stockton (BPS) gave an overview of the Map Refinement Project and reviewed the handouts **Map Refinement Public Comment**, **Map Refinement Draft Changes by Criteria**, and **Code Reconciliation & Map Refinement Projects**. A discussion draft is out for public comment through July 31, 2017 and is available at <https://www.portlandoregon.gov/bps/article/643572>.

A courtesy (non-mandatory) public notice has been sent to affected property owners and occupants within 100 feet of those properties, and BPS has set up a helpline to respond to questions. A proposed draft will be released the week of September 7, 2017, with a Planning & Sustainability Commission hearing scheduled for October 24, 2017.

Humphrey thanked Stockton for sharing the information with the DRAC early in the process, and for sending out the courtesy notice. Humphrey asked whether the courtesy notice gave details on the proposal and what it will mean for affected properties. Stockton replied that the courtesy notice did not provide that type of detailed information; it just said that there is a proposed change that could affect their property and property value. About 1,600 notices were sent, so it wasn't possible to provide specifics on how each property will be affected. The helpline is there to help with those types of questions.

Nickolds asked whether any tribal-owned properties will be affected; Stockton said none will be affected.

Stockton encouraged DRAC members to send further questions if they arise.

Parks Admin Rule Update

Sarah Huggins (Parks) reviewed the handout **Park SDC Residential Alterations & Additions**. Parks is looking for a threshold on additions or conversions that would appropriately trigger higher SDC fees. Huggins asked for feedback on what an appropriate threshold should be, whether a 6-month notification period would be sufficient prior to making a change, and what form the notification should take.

DRAC Member Justin Wood said that parks are looked at as assets that property owners pay for when they build their houses, and asked why they need to pay for that asset again when they make an alteration or addition. Huggins replied that Parks SDCs are based on the number of people using the parks. If the size of a house is increased, it potentially adds to the number of people in that house who are using the parks. Wood questioned the equity of penalizing people for adding on to their houses.

DRAC Member Jeff Bachrach suggested that perhaps the SDC increase should be based on whether an addition is actually increasing the structure's capacity for additional people (ie., adding a bedroom). The SDC is supposed to reimburse the City for the impact of development on parks, but it's hard to see how expanding a kitchen would impact parks. Huggins said that's why they're looking at the square footage, rather than usage of the space.

Humphrey expressed disagreement with the concept that a bigger house necessarily equates to more people living in that house. Sometimes people add on just to have more space, not to accommodate more people. Huggins replied that that is the basis of their adopted methodology.

Colas added that square footage doesn't necessarily correlate to the number of occupants. Huggins said that's why Parks uses an average number of occupants.

Kincaid asked why the Parks SDC is focused on single-family residences (SFRs), rather than multi-family (MF) structures, since MF development also has an impact on parks. Kincaid suggested that Parks look at this from a usage standpoint – property owners pay to use the services when they enter the system. While affordable housing and accessory dwelling units (ADUs) receive SDC waivers, SFR owners have to pay. Kincaid said that community sentiment is that Parks already charges too much, and an increase will generate a negative reaction. Wood said that demolitions and replacements aren't exempted, and remodels and additions should be treated the same.

Philip Nameny (BPS) said that SDC waivers for ADUs are temporary, and will be looked at again in June or July 2018. Nickolds asked if individuals can request fee waivers; Huggins said it's built into the code.

Huggins asked if 6 months' notice would be sufficient, if Parks decides to set a threshold. Bachrach replied that this SDC fee change shouldn't be considered in isolation from other SDC fees.

DRAC Workplan

Kincaid referenced the handout **DRAC Workplan** and asked DRAC members for input on what should be included in the Workplan going forward. Kincaid would like to finalize the Workplan in September 2017, and asked for members to take "lead" responsibility for DRAC subcommittees.

PBOT Transportation SDC Draft Letter

Anne Hill (PBOT) reviewed the handout **Draft DRAC Letter to Council re: PBOT Development Fees** and distributed and reviewed the handout **Transportation SDC Overview**. PBOT is proposing an increase that reflects 50% of the total estimated TSDC eligible cost.

Kincaid said the draft DRAC letter supports PBOT's proposal, but strongly encourages the City Council to review all development fees together.

Humphrey observed that the Overview handout still doesn't reflect other development costs, such as Tree Code fees or the Local Transportation Infrastructure Charge (LTIC). Hill replied that those costs are reflected in the pie charts in the handout. Bachrach said that the pie charts are helpful, but they don't show other proposed SDC increases (Parks, BES, etc.). Hill suggested that the DRAC could request that information from the Office of Management & Finance (OMF). Bachrach said it would be ideal to add a pie chart for an SFR.

Humphrey said the City Council should be looking at all costs, compared with other jurisdictions. Kincaid encouraged Bachrach to ask the Planning & Sustainability Commission to send a similar message to City Council re: considering all fees together.

Hill asked for the DRAC's support for the letter, and asked for a DRAC representative to be present at the City Council hearing, both to support PBOT's proposal and to advocate for universal fee review.

After discussion, Kincaid proposed a small change to the last paragraph in the letter. Carder questioned whether item #2 in the letter (page 1) is pertinent to the letter's purpose and intent. After discussion, Carder recommended simplifying the point down to a single sentence to be clearer.

Humphrey asked Huggins and Hill if they support wholistic City Council review of fees. Huggins said they do, but they are on different schedules for reviewing methodologies. Humphrey asked them to consider writing to the City Council in support of the DRAC's proposal for wholistic fee review. Colas expressed support, saying that wholistic fee review will help promote development, which will benefit the bureaus. Hill said that it should be discussed at the bureau director level, rather than at the staff level.

Huggins asked for clarification as to whether the DRAC is asking for Parks or PBOT to change their SDC methodology schedules. Wood replied that development fees should be reviewed annually, and SDCs should be on the same schedule so that the City Council is looking at all SDC proposals together.

Kincaid asked for a motion on the draft letter, with some tweaking to the wording. Bachrach moved that DRAC members be given additional time to suggest edits to the letter. DRAC members will send edits to Mark Feters (BDS) by Thursday, July 27, 2017.

DRAC Member Joe Schneider asked for information on what the current fees are, to compare with the proposed rates in the handout. Hill will send the information to Feters for distribution to DRAC members.

Pulse of the Industry

BDS Director's Report

Esau gave an update on BDS's reorganization effort. A proposal was rolled out to BDS employees last week, with employee open houses scheduled for this week. Esau will bring details to the DRAC as reorganization moves forward.

Esau has collected 58 ideas from employees on how to decrease wait times in the Development Services Center (DSC), and will bring them to the DRAC for input and discussion.

Portland Online Permitting System (POPS) Update

There was insufficient time for this item.

Demolition Subcommittee Update

There was insufficient time for this item; DRAC members were referred to the handouts

Demolition Subcommittee Agendas 6/16 – 6/20/17.

Other

Nickolds said BDS Inspections has added capacity to allow inspections to be scheduled 1-2 days in advance, rather than 3-4 days in advance.

Kincaid noted that the DRAC will not meet in August; the next DRAC meeting will be in September 2017.

The next DRAC meeting is scheduled for Thursday, September 21, 2017.
Minutes prepared by Mark Feters (BDS).