



**City of
Portland, Oregon**
Bureau of Development Services
FROM CONCEPT TO CONSTRUCTION

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Budget Advisory Committee Report

FY 2016-17

January 31, 2016

The Bureau of Development Services (BDS) Budget Advisory Committee (BAC) thanks Commissioner Dan Saltzman and the City Council for the opportunity to work with BDS on the development of its FY 2016-17 Requested Budget. The BDS BAC is composed of representatives from the Development Review Advisory Committee, community groups, the development industry, and BDS employees (represented and non-represented).

We met with BDS managers and staff five times from October 2015 – January 2016 to discuss BDS's finances, staffing, workload, programs and services, and budget needs. We also reviewed budget guidance from the Mayor and Commissioner Saltzman and projections for City and bureau revenues in the coming year.

In light of these discussions, we are making the following budget and policy recommendations for FY 2016-17:

1. We recommend approval of BDS's budget requests for additional General Fund support for positions in the Neighborhood Inspections Program.

This program provides community-wide benefits and is appropriately supported by the General Fund. BDS's requests include:

- Convert 4 positions from limited term to ongoing funding. These positions were approved as limited term last year, but General Fund monies were not provided. These positions support the Extremely Distressed Properties Enforcement Program (EDPEP) and the Enhanced Inspections Program. Both of these programs improve public health and safety and support vulnerable, underrepresented populations.
- Provide new ongoing funding for one position to allow EDPEP to take action on a waiting list of over 40 properties.

2. We support BDS's decision to place its request for fee-supported positions in the 2016 Spring Budget Monitoring Process (BMP), rather than in the Requested Budget.

As they did last year, BDS intends to add permit fee-supported positions through the Spring BMP in order to fill the positions quickly. These positions will address significant workload needs and allow BDS to meet gaps in service levels. We support BDS's approach as a practical way to quickly meet these needs.

3. In the interest of neighborhood livability and to help address funding issues for the Neighborhood Inspections Program, we urge the City Auditor to submit the proposed foreclosure list to City Council for Council action on a quarterly basis.

BDS currently holds approximately 2,500 uncollected liens on properties, totalling approximately \$21 million, resulting from code violations cited by the Neighborhood Inspections Program. A relatively small number of properties accounts for a significant portion of these liens. These properties are unmaintained, frequently vacant, and use a considerable amount of the Neighborhood Inspections Program's resources and staff time. Many of these properties fall on the City's foreclosure list. Bringing the foreclosure list to City Council would provide an opportunity for the City to use the tool of foreclosure to address primarily vacant properties that present ongoing health and safety hazards to Portland neighborhoods, and would allow Neighborhood Inspections to recover outstanding liens and address funding concerns.

4. We further urge the City Council to include a budget note in the City Auditor's FY 2016-17 Requested Budget directing the Auditor's Office to work with BDS to develop options for using the foreclosure process to address properties with histories of chronic code violations and significant unpaid liens.

Neighborhood Inspections Program staff spends considerable time and resources on a relatively small number of such properties, while unpaid liens accrue for years. If applied carefully and thoughtfully, foreclosure can be a tool to help the City improve the safety and health of its housing stock and address funding issues for the Neighborhood Inspections Program.

5. We recommend that the required 5% cut in General Fund support proposed by BDS be restored. BDS receives General Fund support for its Neighborhood Inspections and Land Use Services Programs. The bureau is complying with the Mayor's requirement for a 5% cut in General Fund support by reducing nuisance abatements and cutting funding for a partnership with Portland State University that gives urban planning students the opportunity to gain work experience at BDS. The reduction in nuisance abatements will negatively impact neighborhood livability and health, particularly during the warm months of the year. Ending the PSU partnership will deny students an important career-building opportunity and will hinder BDS's equity and workforce planning efforts.

6. We support the work of the Development Review Advisory Committee (DRAC) subcommittee on fees. The DRAC will soon be convening a subcommittee to meet with BDS staff to review BDS's current fees and determine whether reductions in some fees could be made. The subcommittee will then expand the scope of their review to encompass all fees related to development. This work is important to development in Portland and is directly related to the City's affordable housing goals.

7. We support the bureau's employee budget idea development process.

BDS offered its employees opportunities to share their ideas regarding the budget through multiple open "drop-in sessions". The BAC is in support of BDS exploring the ideas that have come from those sessions, such as the restoration of Residential Permit Night as a way to improve access to the bureau's services, and the prioritization of outreach, mentoring, and workforce development for current staff.

BDS Budget Advisory Committee Members

Stakeholders / Community Members

Andre Baugh, Group AGB, Ltd.

Paul Grove, Home Builders' Association

Barrett Karnes, REACH CDC

Maryhelen Kincaid, Development Review Advisory Committee

Kirk Olsen, Development Review Advisory Committee

Cristina Palacios, Community Alliance of Tenants

Susan Steward, Building Owners & Managers Association

Steve White, Oregon Public Health Institute

BDS Employees

Shawn Burgett, Land Use Services

Mike Liefeld, Enforcement Program

Kathy Saunders, Permitting Services

Paul Scarlett, BDS Director

David Tebeau, Inspections Services

Rachel Whiteside, Information Technology Advancement Project