



City of
PORTLAND, OREGON

Development Review Advisory Committee

Development Review Advisory Committee
Meeting Minutes
Thursday, February 15, 2018

DRAC Members Present:

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| Jeff Bachrach | Alex Boetzel | Claire Carder |
| Hermann Colas | Michael Harrison | Rob Humphrey |
| Maryhelen Kincaid | Jennifer Marsicek | Kirk Olsen |
| Martha Williamson | Justin Wood | |

City Staff Present:

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| Tyler Bump, BPS | Dan Cote, BDS | Bill Cunningham, BPS |
| Rebecca Esau, BDS | Mark Feters, BDS | Mark Filsinger, Water |
| Elshad Hajiyev, BDS | Sarah Huggins, Parks | Mieke Keenan, BDS |
| Kurt Krueger, PBOT | David Kuhnhausen, BDS | Amit Kumar, BDS |
| Peter Maris, BDS | Yung Ouyang, Budget Office | |
| Jonna Papaefthimiou, PBEM | Andy Peterson, BDS | |
| Elisabeth Reese-Cadigan, BES | Marshall Runkel, Comm. Eudaly's Office | |
| Emily Sandy, BDS | Kim Tallant, BDS | Nancy Thorington, BDS |
| Sandra Wood, BPS | Jody Yates, PBOT | |

Guests Present:

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| Sean Green | Dirk Larson | Sam Noble |
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DRAC Members Absent:

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| Maxine Fitzpatrick | Christopher Kopca | Mitch Powell |
| Sarah Radelet | Joe Schneider | |

Handouts

- Draft DRAC Meeting Minutes 1/18/18
- Inter-Bureau Code Change List
- Non-Cumulative Cost Recovery Report
- BDS Major Workload Parameters
- Development Process Improvements
- SB 871 Implementation Ordinance
- Amendments to Title 24 – Building Regulations
- Better Housing by Design – Discussion Draft Summary
- Energy Efficiency – Expedited
- Amendments to 11.50, Trees in Development Situations
- URM Policy Implementation Next Steps
- Technical Summary of Proposed Engineering Standards
- Proposed Seismic Retrofit Standards
- Summary of Development Changes Since July 2015
- Draft DRAC Service Levels Subcommittee Meeting Notes 1/24/18
- Upcoming City Council Agenda Items

Convene Meeting

DRAC Chair Justin wood convened the meeting and welcomed DRAC members, City staff, and guests.

BDS Director Rebecca Esau recognized DRAC Member Hermann Colas, who has completed his second term of service and will be leaving the DRAC. Esau and DRAC members expressed appreciation for Colas' time and work as a DRAC member and for his commitment to quality development. DRAC Member Maryhelen Kincaid expressed appreciation for Colas' participation and input on DRAC and work in the development community.

DRAC members reviewed and approved minutes from the January 18, 2018 DRAC meeting.

Government Accountability, Transparency, & Results (GATR) Follow-up

Esau distributed and reviewed the handout *Development Process Improvements*, which summarized changes that have been made to the development review process since the Housing Development GATR sessions in 2017.

Announcements

BES Minor Reorganization

Elisabeth Reese Cadigan (BES) described changes BES implemented on February 1, 2018 to their organizational structure related to development permitting. All BES permitting staff is now housed in one division, managed by Reese Cadigan. Joe Blanco (BES) is now the supervisor for the BES Pollution Prevention Plan Review Team. Blanco is also the supervisor for the BES Development Review Team, which includes plan review, DSC/Trades Counter, and private stormwater facility inspection.

Reese Cadigan said that BES aims to improve permitting turnaround time for plan review to meet City goals for accelerating housing and economic development, and to realize important community benefit opportunities. The reorganization is an opportunity to both improve service levels and provide additional support to staff.

Notice Change

Nancy Thorington (BDS) reviewed the handout *SB 871 Implementation Ordinance*. The City Council changed the notice requirement in the ordinance from the proposed 150 feet to 300 feet (from the structure being demolished) based on public testimony. BDS is working on being able to generate lists for contractors of addresses to be notified. The ordinance calls for three inspections – pre-, during, and post-demo. The “during” inspection has been changed from mandatory to non-mandatory; it was determined that in some scenarios, it would be impractical to conduct an inspection during demolition. Administrative rules are being drafted and will be brought to the DRAC for review. The requirements will be implemented no later than July 1, 2018.

J. Wood was not happy with the notice requirement change from 150 to 300 feet, but recognized that the change was made by the City Council, not BDS.

Title 24 (Building Regulations)

Mieke Keenan (BDS) reviewed the handout **Amendments to Title 24 – Building Regulations** and gave a summary of proposed code changes related to retaining walls, maintenance agreements, and easements. The changes are being made in response to changes made by the State of Oregon to the 2014 Oregon Residential Specialty Code (ORSC). Keenan said the proposed changes won't affect applicant requirements or reviews; the City is simply assuming responsibility for requirements that the State is no longer enforcing. The State made the change due in response to a situation in rural Eastern Oregon where an applicant was required to get a permit for a retaining wall built far from other structures. J. Wood said the State Building Codes Division (BCD) doesn't feel that retaining walls should be regulated under the ORSC.

Better Housing by Design

Bill Cunningham (BPS) reviewed the handout **Better Housing by Design – Discussion Draft Summary** and gave an overview of the project. BPS has had many conversations with the community and developers about multifamily housing design and zoning. Sandra Wood (BPS) said the project is in its discussion phase, and they are gathering public input that will be incorporated into the next draft proposal. The public comment period runs through March 19, 2018. More information is available on the project website at <https://www.portlandoregon.gov/bps/71903>.

Kincaid asked how this project fits with incentives to create alternative housing opportunities, such as Accessory Dwelling Units (ADUs) and tiny home villages. Cunningham replied that they have had discussions about alternative types of housing, and are looking at barriers in the Zoning Code to creating alternative housing situations. They are trying to make sure that regulations allow for a variety of housing types, and they welcome input from the public and those with specialization in the field.

S. Wood said the objective of the project is to provide more housing choices in more neighborhoods. Development tends to be either single-family residences (SFRs) or large apartment buildings, with nothing in between. They want to allow more variety. About 45% of Portland is zoned for single family, while only about 10% is zoned for multi-family.

Cunningham said they are proposing to have Inclusionary Housing (IH) projects gain an additional 50% FAR (Floor Area Ratio) beyond the base, and they are working on incentives to preserve existing affordable housing and trees.

J. Wood expressed concern about applying the proposed regulations to all multi-family zones, as some areas need more parking than the regulations allow. In single family zones there is an exemption for garage width, but a similar exemption is not included in this proposal. Cunningham said that discussions have been going on about garages for 20 years, and they want to be consistent between single family and multi-family development.

Colas asked what elements are considered when discussing affordability. Building multi-family housing away from transit isn't really affordable housing. Colas asked if the zoning is being changed to allow multi-family development in areas that were previously zoned single family, so they can be near transit. Cunningham said they have been talking with Portland Community Reinvestment Initiatives (PCRI) about ways to incentivize multi-family development in closer-in neighborhoods. Colas said zoning tends to segregate the poor from the rich, and if zoning is being changed, it should be done in ways that encourage integration.

DRAC Member Alex Boetzel noted that there are no energy-efficiency bonuses in the proposal, and asked whether this was intentional. Cunningham said there has been discussion about energy efficiency, but affordability is the first priority. Boetzel replied that energy-efficiency promotes (rather than hinders) affordability.

Cunningham noted that the proposal includes a provision to allow limited commercial development in multi-zoned areas.

Incentives for Green Builders

DRAC Member Alex Boetzel reviewed the handout *Energy Efficiency - Expedited* and asked for DRAC support for expedited permitting for energy-efficient development. The proposal regards new construction, but other projects could be included.

Esau said that this would also be a question for the other City development bureaus to address. BDS is in a better financial situation than the other bureaus, but is spread thin due to staff vacancies and the Mayor's Fast-Track Permitting pilot project. There would need to be a larger discussion around funding and staffing.

J. Wood expressed concern about the impact this concept might have on non-expedited reviews. Boetzel said it will take time to develop a proposal, and by then circumstances may be different. It would be good to at least begin the discussion. Humphrey asked how "energy-efficient" would be defined and quantified. Boetzel said good stretch goals and targets would need to be identified.

Kincaid proposed that a DRAC subcommittee be established to explore the idea. Esau suggested that the existing DRAC Service Levels Subcommittee take up the idea.

Harrison questioned whether expedited review would provide incentive for energy-efficient development, and expressed support for hiring more staff to support expedited review for all permits. Humphrey did not want to see this proposal detract from BDS's efforts to improve services across the board.

Boetzel replied that each project can show the benefits of energy efficiency, which relates to affordability. Having the discussion would present an opportunity to look at appropriate incentives. Attendees also discussed the idea of allowing additional FAR (Floor Area Ratio) for energy-efficient development.

Tree Code Update

Emily Sandy (BDS) reviewed the handout **Amendments to 11.50, Trees in Development Situations**. City Council passed the ordinance yesterday, and it will go into effect on March 16, 2018. The ordinance closes a loophole that had allowed the removal of incidental trees in certain development situations. BDS will distribute a Service Level Update about the changes today or tomorrow, and will be training review and inspection staff.

Unreinforced Masonry Seismic Retrofit

Amit Kumar (BDS) reviewed the handouts **URM Policy Implementation Next Steps, Technical Summary of Proposed Engineering Standards**, and **Proposed Seismic Retrofit Standards**.

Jonna Papaefthimiou (PBEM) gave an overview of the seismic risks of unreinforced masonry (URM) structures and said that the Portland Bureau of Emergency Management (PBEM) has been working with BDS and Prosper Portland since 2014 to develop a strategy to address the situation. Kumar noted that over 50% of identified URM structures are single story.

Papaefthimiou said that projected retrofit costs are difficult to estimate. One strategy to provide financial support is Oregon Senate Bill (SB) 311, which authorized local jurisdictions to provide a property tax exemption to commercial, industrial, and multifamily structures on improvements that include seismic retrofits for a period of 15 years. They are also lobbying for a state historic tax credit and exploring a revolving loan fund through Prosper Portland.

PBEM is preparing to bring a resolution to City Council in March or April 2018 that will direct City staff to draft implementation rules. The rules would take about a year to prepare, including discussions with Multnomah County and local schools. Staff is also looking at notification to property owners and tenants.

Papaefthimiou said that after discussions with property owners, they have modified the required standards a great deal; they are now using a collapse reduction standard, rather than the previous life safety standard. PBEM will be meeting with the school districts because their revenues will be impacted if the tax abatement (SB 311) is approved. The schools will also have to do retrofits.

DRAC Vice Chair Claire Carder asked what is being done regarding the potential displacement of tenants when required upgrades are done, given that there are 7,000 residential URM structures and Portland is in an affordable housing crisis. Papaefthimiou replied that PBEM has been working with the Housing Bureau regarding Section 8 units (over 1,000). Some units may be able to do the seismic retrofit without displacing tenants. The project advisory committee recommended that property owners not be required to pay relocation costs for displaced tenants, but staff disagreed and wants to hold owners responsible for relocation costs.

More information about the project is available online at <https://www.portlandoregon.gov/pbem/66306>.

Inclusionary Housing (IH) Update

Tyler Bump (BPS) gave an update on Inclusionary Housing (IH) implementation. February 1, 2017, there were about 19,000 units in the pipeline that were vested prior to IH. Currently, about 10,000 of those units are still in the pipeline. Since February 1, 2017, 17 projects have been submitted under IH.

Open Forum

J. Wood introduced the idea of including a regular forum at DRAC meetings to identify issues for discussion and help bureaus address situations where regulations or processes cause conflicts.

The next DRAC meeting is scheduled for Thursday, March 15, 2018.
Minutes prepared by Mark Feters (BDS).