



City of
PORTLAND, OREGON

Development Review Advisory Committee

Development Review Advisory Committee
Meeting Minutes
Thursday, July 19, 2018

DRAC Members Present:

Jeff Bachrach
Paul Delsman
Martha Williamson

Alexander Boetzel
Holly Huntley
Justin Wood

Claire Carder
Jennifer Marsicek

City Staff Present:

Dan Cote, BDS
Elshad Hajiyev, BDS
David Kuhnhausen, BDS
Andy Peterson, BDS
Kim Tallant, BDS

Rebecca Esau, BDS
Sarah Huggins, Parks
Erin Mick, Water
Janell Piercy, BDS
Duane Whitehurst, BDS

Mark Feters, BDS
Kurt Krueger, PBOT
Phil Nameny, BPS
Elisabeth Reese-Cadigan, BES
Sam Wiegand, BDS

Guests Present:

Michael Fu, PCRI
Sam Noble

Sean Green, NECN
Allison Reynolds, Stoel Rives LLP

Larry Jenkins, PCRI
Jennifer Taylor, OHSU

DRAC Members Absent:

Maxine Fitzpatrick
Lauren Jones
Sarah Radelet

Shea Flaherty Betin
Christopher Kopca

Michael Harrison
Mitch Powell

Handouts

- Draft DRAC Meeting Minutes 5/17/18
- Inter-Bureau Code Change List
- Non-Cumulative Cost Recovery Report
- POPS Program Fact Sheet
- Permit Cancellation & Plan Disposal
- ADU SDC Waiver Program FAQs
- Upcoming City Council Agenda Items

Convene Meeting

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

Announcements

Permit Cancellation & Plan Disposal (update)

David Kuhnhausen (BDS) reviewed the handout **Permit Cancellation & Plan Disposal** and gave an update on the presentation made at the May 2018 DRAC meeting. Kuhnhausen noted that the Facilities Permit Program (FPP) & Field Issuance Remodel Program (FIR) do not follow these processes; FPP and FIR customers with questions about permit cancellation or plan disposal should contact those programs directly.

Best Practices Research

BDS Director Rebecca Esau described an upcoming research project that arose from discussions at Development Bureau Director meetings about how Portland compares with other cities in regard to development review. Esau encouraged DRAC members to send information on other cities that are doing development review well and should be included in the comparison.

Portland Online Permitting System (POPS) Update

Dan Cote (BDS) distributed and reviewed the handout **POPS Program Fact Sheet** and gave details on electronic plan review (ePlans), which will use ProjectDox software. ePlans will be rolled out as a pilot, using two process-managed projects to work out any issues. Once the pilot is complete, further rollout phases will be planned. Cote will provide another update at the next DRAC meeting.

Wood asked whether Planning & Zoning will be flagged when an applicant responds to a checklist. Andy Peterson (BDS) replied that they would get flagged. Customers will be able to view checklists before they're issued, but they won't be able to respond until all checklists are issued together.

Wood asked if inspectors will be able to view plans electronically in the field. Cote said they will have that capability eventually in a later phase of the project, when the mobile app is available.

DRAC Member Holly Huntley asked whether electronic plans will fully replace paper plans, and voiced concerns about the challenge of viewing plans on mobile devices. Cote said that there will be nothing to prevent customers from printing plans.

DRAC Member Martha Williamson asked if ProjectDox is the same program that was tested earlier. Cote said it is a newer version of the same program, with improvements that address some of the issues that were found in the initial pilot.

Remote Video Reinspection

Janell Piercy (BDS) described a coming pilot program to conduct permit reinspections remotely by live video. Customers in the pilot project will be given the option to do remote video reinspections in situations where 5 or fewer corrections are required from a previous onsite inspection. Not all reinspections will be able to use the service; some corrections are more serious, or can't be done remotely for various reasons.

The pilot will start with senior inspectors in the office performing remote inspections, with a goal of eventually using combination inspectors. Customers will initially schedule 20-minute windows for their remote inspections; that may eventually shrink to 10-15-minute windows as inspectors and customers become more familiar with the process.

Piercy hopes to have the pilot ready to roll out in a month or so.

Accessory Dwelling Unit (ADU) Systems Development Charge (SDC) Waivers Update

Kuhnhausen and Kim Tallant (BDS) reviewed the handout *ADU SDC Waiver Program FAQs* and gave an update on the program. Participants will be required to record a covenant with Multnomah County, which could lengthen the permitting process. The program will go into effect on August 1, 2018. Kuhnhausen noted that to be vested in current policy, rather than the covenant requirement, projects must be under review by August 1, 2018.

Design Overlay Zone Amendments (DOZA) Subcommittee / Letter

This item was held over to the next DRAC meeting.

Meeting Minutes

DRAC members reviewed and approved minutes from the May 17, 2018 DRAC meeting.

Open Forum

Wood asked DRAC members and attendees to share what they are seeing in their area of the development industry.

Williamson said they are seeing fewer development proposals in Portland, and more in the suburbs. They're still busy, but a little less than previously.

DRAC Member Jennifer Marsicek said they're busy and recently received some affordable housing projects. They're seeing health care and restaurant projects continuing.

Boetzel has seen a number of clients interested in small, affordable multifamily developments.

DRAC Member Jeff Bachrach said the Planning & Sustainability Commission held a work session on the Residential Infill Project on July 10, 2018, but it won't go to the City Council until later this year. Bhe Better Housing by Design Project will follow that.

DRAC Member Paul Delsman said they are still very busy, and are having difficulty finding enough subcontractors and labor. They are constantly turning down projects because not enough resources are available to take them. Inclusionary Zoning (IZ) has completely stopped market-rate housing in Portland; it is being developed only in the suburbs. In the last two years, it seems that Portland has moved onto the national stage for development. It is now seen as comparable to Seattle and San Francisco, but more affordable and desirable.

Huntley said a member of their team has heard that development is slowing down, but they are not seeing a slowdown in their work. They have enough work for the next year, and have to turn down good projects. Huntley thinks a tightening in the market/general economy will come at some point.

Wood said there has been a little slowdown in single-family residential development, but they are still really busy. Realtors are bringing lots of infill projects, trying to build before the ability goes away. They are finding it more and more difficult to develop starter homes that are affordable for first-time homebuyers; costs for land, permits, and materials all contribute.

DRAC Vice Chair Claire Carder has been hearing concerns from the community regarding planning issues, infill development, rising home costs, and affordable development. There is also much interest in the seismic retrofit program and historic resource code changes; community members are concerned about losing older brick buildings because seismic retrofit costs will be prohibitive.

Esau said that BDS is seeing a spike in ADU applications, as applicants try to get in before the new covenant requirements.

Guest Allison Reynolds (Stoel Rives LLP) said that market-rate has dried up, though they are seeing people interested in building large condo developments. Reynolds is also seeing Portland on the radar nationally for development.

Tallant reported that land use applications are down; they saw the change begin with the implementation of Inclusionary Zoning (IZ). The Central City Code and Master Plan just went into effect. They are hearing about a few large projects that may be coming in soon for land use review.

Kuhnhausen reported that apartment projects are not coming in, but the loss is being offset by other large projects. Single-family residential development is not as high as it was, but is still consistent, and there are many ADU applications.

Peterson said there has been a change in the mix of residential projects; they are seeing more projects involving multiple attached townhomes on one site, avoiding commercial code requirements. Discussion is taking place regarding land division requirements, and whether Portland could develop streamlined requirements without running into problems with State law. The State offers an expedited process, but it is onerous enough that it isn't used.

Guest Jennifer Taylor (OHSU) said that OHSU is struggling to find labor for its development projects, and there are concerns over delays in review and permitting processes.

Delsman reported hearing that in the last 6 months, Portland passed the level of development industry employment from 2007-08. Also, the impact of tariffs on steel is coming and may result in delays in the ability to get product.

Piercy reported that BDS Inspections is having similar struggles in finding qualified labor.

Attendees discussed the volume of residential permit inspections. Piercy said there is a cap of 425 daily residential inspections. In the recent past many inspections have been set over due to the cap, but not as many inspections are set over now. Piercy said that several things have helped improve the situation – hiring more staff, educating customers about bundling inspections, improved inspection routing, and having more inspectors fully trained as Combination Inspectors.

Attendees also discussed the lack of young workers entering the development industry. Wood said that this will cause significant problems in the coming years. Carder reported that the State legislature is working on getting people into the construction trades, and Carder testified at the legislature about the need to increase funding for vocational classes. Huntley advocated for Girls Build, which introduces girls to the trades, along with Oregon TradesWomen.

The next DRAC meeting is scheduled for Thursday, August 16, 2018.
Minutes prepared by Mark Feters (BDS).