



City of
PORTLAND, OREGON

Development Review Advisory Committee

Development Review Advisory Committee
Meeting Minutes
Thursday, December 13, 2018

DRAC Members Present:

Alexander Boetzel
Shea Flaherty Betin
Martha Williamson

Claire Carder
Holly Huntley
Justin Wood

Paul Delsman
Jennifer Marsicek

City Staff Present:

Jake Brown (BDS)
Rick Faber (Forestry)
Elshad Hajiyev (BDS)
Melissa Linehan (BDS)
Kyle O'Brien (BDS)
Anna Sposito (BDS)
Sandra Wood (BPS)

Dan Cote (BDS)
Mark Feters (BDS)
Sarah Huggins (Parks)
Erin Mick (Water)
Yung Ouyang (Budget Office)
David Tebeau (BDS)

Rebecca Esau (BDS)
Darryl Godsby (BDS)
David Kuhnhausen (BDS)
Doug Morgan (BDS)
Andy Peterson (BDS)
Angie Tomlinson (BDS)

Guests Present:

Ashley Fleschner, National Association of the Remodeling Industry Pacific NW
Sean Green, NE Coalition of Neighborhoods
John Hasenberg, Oregon Remodelers Association
Rob Humphrey, Faster Permits
Roseann Johnson, Home Builders Association
Sam Noble
Allison Reynolds, Stoel Rives LLP

DRAC Members Absent:

Jeff Bachrach
Lauren Jones
Sarah Radelet

Maxine Fitzpatrick
Christopher Kopca

Michael Harrison
Mitch Powell

Handouts

- Draft DRAC Meeting Minutes 10/18/18
- Inter-Bureau Code Change List
- Permitting Improvements Status Update
- Non-Cumulative Cost Recovery Report
- BDS Major Workload Parameters
- BDS Business Continuity Plan
- BDS Reserve Summary
- Top Employee Budget Ideas
- Portland Maps General Search Guide
- Portland Maps Advanced Search Guide
- Review Windows Lunch & Learn
- A More Efficient Review Process
- Upcoming City Council Agenda Items

Convene Meeting

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

Announcements

BDS Customer Survey Update

Mark Feters (BDS) provided an update on BDS's recent customer survey. BDS contracted with Portland State University's Survey Research Lab (SRL) to conduct an online survey of bureau customers from September 13 – October 7, 2018. Almost 8,300 bureau customers were notified of the survey by email, and 1,362 surveys were completed.

BDS is currently reviewing a draft survey report from the SRL. More information will be shared with the DRAC at future meetings.

Mayor's 30-Day Assignment Update

BDS Director Rebecca Esau distributed and reviewed the handout **Permitting Improvements Status Update**.

BDS Residential Inspections Manager Dave Tebeau said the Field Issuance Remodel (FIR) Program will be pilot testing a program to handle Accessory Dwelling Unit (ADU) remodels through FIR. The program would allow ADU contractors to receive FIR-like services by paying an additional fee. The amount of the fee has not been determined, but it will be set to recover costs. They are hoping to roll out the pilot program in January 2019.

Tebeau added that the Remote Video Reinspection Program is almost ready to be implemented.

DRAC Member Jennifer Marsicek asked if there are other things BDS has learned through the project for the Mayor. Esau said it's been clear that customers want to meet earlier and more often with BDS and other development review staff.

2019 DRAC Officers

Feters noted that DRAC members will need to select their officers (Chair and Vice Chair) for 2019 at the January 17, 2019 DRAC meeting.

BDS Financial / Budget Update

BDS Business Continuity Plan

BDS Sr. Business Operations Manager Elshad Hajiyev reviewed the handout **BDS Business Continuity Plan** and gave an update on economic trends and BDS's current financial status.

Hajiyev noted that when four or more of the triggers in the Business Continuity Plan (BCP) are activated (turn red), the bureau needs to take action. Through 2018 several triggers were going back and forth from red to green, but since September 2018 four of them have remained red. As a result, in early November 2018 BDS instituted a 3-month hiring freeze (through the end of January 2019). Special attention is being paid to the Land Use Services Program, since it is impacted earlier by development trends. BDS began leaving Land Use staff positions vacant in early 2018.

Development projects have been decreasing both in number and valuation, leading to lower cost recovery for BDS. Bureau revenues have been down \$1.4 million per month on average, and most programs are drawing from their reserves. Hajiyev noted that BDS reserves are separated by program and cannot be shared across program lines.

BDS senior managers are working on a list of potential additional steps to help maintain cost recovery and slow further decreases in the reserves. In addition to the hiring freeze, BDS has frozen spending on facility projects and reduced materials and services spending. More information will be available in January 2019.

BDS Budget Advisory & Financial Advisory Committees

BDS Finance Manager Kyle O'Brien said that the first step in the development of BDS's 5-Year Financial Plan is meeting with the BDS Financial Advisory Committee (FAC). The FAC is composed of economists and development industry representatives; this year it includes DRAC Member Holly Huntley. The FAC generally meets twice annually – once in December and once in January.

At the FAC meeting on December 5, 2018, FAC members confirmed what BDS has observed, that development has begun to decline and will likely continue. The FAC felt that this is a leveling-off part of the economic cycle, and they expect that it may take a while for the economy to bounce back. Economists do not anticipate a return to positive development-related growth rates over the next 1-2 years.

O'Brien and BDS budget staff will use the feedback from the FAC to do econometric forecasting of growth rates, which will be presented to the FAC at their next meeting on January 9, 2019.

Hajiyev said that FAC members were more definite about their views on the economy than they've been in the past. Notes from the January 9 FAC meeting will be provided to DRAC members at the next DRAC meeting.

Discussion

J. Wood asked how BDS's current workload and financial numbers compare with an average year; economists have said that the market is coming down slowly from very high levels to more normal levels. Hajiyev replied that the Business Continuity Plan (BCP) compares the same time periods from this year and last year to eliminate seasonality in construction activity. O'Brien noted that the **Major Workload Parameters** handout provides 4 years' worth of workload data that includes different levels of construction activity.

DRAC Member Paul Delsman asked how BDS's analysis accounts for the impacts of legislation, such as Inclusionary Housing. O'Brien replied that it's hard to discern the impact of legislation on BDS revenues. Hajiyev added that private development trends impact BDS revenues more than legislative changes, and BDS forecasts separately for large development projects. Delsman said that staff from the Housing Bureau anticipates a large volume of work over the next few years and expressed surprise that BDS's work is slowing down. Hajiyev noted that the volume of work arising from Housing Bureau projects will not be sufficient enough to replace the reduction in number and size of the projects coming through the private development pipeline.

Hajiyev noted that in addition to the FAC meeting on January 9, 2019, BDS's Budget Advisory Committee (BAC) will meet today (December 13, 2018) and again on January 15, 2019. BDS will share its growth rates and 5-year financial projections with the DRAC in January.

Portland Maps Update

Jake Brown (BDS) presented information on Portland Maps and reviewed the handouts **Portland Maps General Search Guide** and **Portland Maps Advanced Search Guide**.

Brown said that Portland Maps pulls data from the Multnomah County Tax Assessor's Office weekly. However, the Tax Assessor recently made changes to the structure and organization of their data that require the City to do programming work for Portland Maps. The work may take weeks, and some tax lot and owner information will not be viewable in Portland Maps until that work is done. Brown noted that tax assessment information is available online through the Tax Assessor's website.

Review Windows

BDS Permitting Services Manager David Kuhnhausen reviewed the handouts **Review Windows Lunch & Learn** and **A More Efficient Review Process** and explained the rationale and anticipated benefits from the process changes. Review windows has already been implemented for process-managed projects and will be implemented for new single-family residence (NSFR) projects on January 2, 2019.

Guest Sam Noble asked how BDS will be able to discern whether expected review timeline improvements are due to the implementation of review windows, or from the staff the bureau has added. Kuhnhausen agreed that there will be other factors that impact review timelines beyond review windows, and it will be challenging to attribute any changes to one factor as opposed to another. Kuhnhausen said that plans reviewers do not currently track the time they spend on each project.

Brown showed where and how review window information will be displayed in Portland Maps.

Kuhnhausen encouraged anyone interested to attend the upcoming Lunch & Learn session on review windows on December 14, 2018.

J. Wood asked how relief/safety valves will work with review windows. Kuhnhausen said that relief valves are part of the current paper system but will not be part of electronic plan review. Other jurisdictions using electronic plan review generally do not offer relief valves. BDS will continue to evaluate this as electronic plan review is implemented, but at this point does not plan to offer relief valves. Esau added that BDS anticipates that with all reviewers having access to the same plans at the same time under electronic plan review, timelines will improve and relief valves won't be needed.

J. Wood expressed concern that some bureaus may still take too long to review plans, and without the possibility of relief valves, projects will be delayed. J. Wood gave the example of Urban Forestry not reviewing plans if a street improvement plan is required. Guest Rob Humphrey was concerned that reviews related to final sign-off that are currently performed concurrently will be performed consecutively under electronic plan review. Esau said that BDS is aware of these issues and will be addressing them.

In response to discussion regarding the quality of permit applications, Delsman asked about the possibility of implementing private party evaluation of applications. Delsman said that currently, applicants with good quality plans are penalized by applicants submitting poor quality plans. Esau said BDS wants to develop processes/systems to improve application quality. Delsman replied that if BDS can reward good applications, applicants will select design firms with a good track record.

J. Wood noted that electronic plan review will make it easier to identify bureaus that are taking longer to review plans, and suggested that if reviewers see that they're behind, they should issue an incomplete checksheet rather than hold up a project.

Guest Roseann Johnson (Home Builders Association) asked whether other jurisdictions allow plans to be updated in the middle of a review window. Angie Tomlinson (BDS) said that the two jurisdictions in the metro area that do electronic review generally do not allow it, though they do make exceptions.

Humphrey said the biggest concern is communication with bureau staff. Customers will need to be able to call the bureau and talk to someone when problems with review windows or electronic plan review arise. Kuhnhausen replied that BDS will have that support in place when review windows rolls out to residential permits; they anticipate establishing a dedicated phone number and answering calls live to deal with technical or process issues.

Portland Online Permitting System (POPS) Update

Interim POPS Manager Dan Cote showed the presentation **Deep Dive Lite** and gave an update on the POPS project.

Attendees discussed online payment options. Cote said that for now they will be using electronic checks to address instances where permit fees are larger than the applicant's credit card limit. A different solution may be provided once POPS is implemented.

Attendees discussed how permit cards and inspection sign-offs will work under POPS. Cote said that inspectors may have mobile printers, but BDS still anticipates permit cards being onsite for inspectors to sign.

Angie Tomlinson (BDS) gave a presentation on electronic plan review (PDX ePlans). Tomlinson also distributed and reviewed the handout **ProjectDox Retrospective** and gave an update on the status of the project.

DRAC Member Shea Flaherty Betin asked about training resources for customers. Tomlinson said that POPS staff can visit customers' offices to provide training, and there will be open houses for customers to attend. Resources will be available online as well, probably within the next several weeks.

Delsman asked for the ability to identify plans reviewers' supervisors through PDX ePlans.

Guest John Hasenberg (Oregon Remodelers Association) asked if plans reviewers will be able to mark/identify specific items in plans. Melissa Linehan (BDS) replied that there will be many tools in POPS for reviewers to use to mark up plans; this is one of the big benefits to PDX ePlans.

Tomlinson said they are planning to roll PDX ePlans out to commercial new construction permits next. Residential new construction permits will require more process/workflow work before implementation.

Flaherty Betin asked about language translation in PDX ePlans; Tomlinson will follow-up.

DRAC Member Martha Williamson asked whether Public Works (PW) permits will be included in PDX ePlans. Tomlinson said that all permits will be included eventually, but PW permits are not on the current timetable. Cote said that permit types like PW that have different workflows will require more preparation work before implementation.

Hasenberg asked whether inspectors will be able to access plans before they go to jobsites. Cote said they will, but not through ePlans; inspectors will see the plans that have been loaded into the POPS database. Cote noted that it would take time for inspectors to peruse plans in the morning before going out to the field, and this would require changing their workflow. Attendees discussed the idea of applying the project-oriented approach of the Field Issuance Remodel (FIR) Program to general residential inspections.

Humphrey asked about the update and upgrade processes for POPS and ePlans into the future. Cote said that BDS is currently using the newest version of Amanda (TRACS), and BDS will receive any updates the vendor makes to this version. If the vendor issues a new version, BDS will need to decide whether to move to that new version or not. Extensive testing would be performed before any updates or upgrades are applied.

Meeting Minutes

Members reviewed and approved minutes from the October 18, 2018 DRAC meeting.

Pulse of the Industry

DRAC Vice Chair Claire Carder asked DRAC members to share any development-related updates.

Flaherty Betin hasn't noticed any recent trends in their work with immigrant and refugee small business owners.

Delsman said they are still busy, but the bulk of their revenue has shifted outside of the Central Business District due to Inclusionary Housing (IH). DRAC Member Alexander Boetzel said they are also noticing IH impacts. They see no market demand for green/energy efficient development.

Huntley's firm is contracted to do Accessory Dwelling Unit (ADU) work through next year.

Williamson's firm is primarily a subconsultant to an architect team; they are seeing market rate development being replaced by condos and affordable housing. New work is plateauing, but they have a backlog of existing work.

Carder is hearing that the neighborhoods are traumatized by the Residential Infill Project and are waiting for further developments.

The next DRAC meeting is scheduled for Thursday, January 17, 2019.

Minutes prepared by Mark Feters (BDS).