



City of
PORTLAND, OREGON

Development Review Advisory Committee

Development Review Advisory Committee
Meeting Minutes
Thursday, October 18, 2018

DRAC Members Present:

Claire Carder
Michael Harrison
Christopher Kopca
Martha Williamson

Paul Delsman
Holly Huntley
Jennifer Marsicek

Shea Flaherty Betin
Lauren Jones
Sarah Radelet

City Staff Present:

Beth Benton, BDS
Dan Cote, BDS
Mark Feters, BDS
Kurt Krueger, PBOT
Erin Mick, Water
Corbett Oliver, BDS
David Tebeau, BDS

Tyler Bump, BPS
Alex Cousins, BDS
Darrell Godsby, BDS
David Kuhnhausen, BDS
Elizabeth Moore, BDS
Yung Ouyang, Budget Office
Terry Whitehill, BDS

John Butler, BDS
Rebecca Esau, BDS
Sarah Huggins, Parks
Melissa Linehan, BDS
Doug Morgan, BDS
Elisabeth Reese Cadigan, BES
Sandra Wood, BPS

Guests Present:

Sam Noble
Allison Reynolds, Stoel Rives LLP

DRAC Members Absent:

Jeff Bachrach
Mitch Powell

Alexander Boetzel
Justin Wood

Maxine Fitzpatrick

Handouts

- Draft DRAC Meeting Minutes 9/20/18
- Inter-Bureau Code Change List
- Non-Cumulative Cost Recovery Report
- Policy for Extensions on Residential Demolition Permits
- Habitable Space Standards Code Guide
- Summary of Mayor's 30-Day Assignment
- POPS Public Portal Upgrade
- Historic Resources Code Project Overview
- Upcoming City Council Agenda Items

Convene Meeting

BDS Director Rebecca Esau convened the meeting and welcomed DRAC members and other attendees.

Announcements

BDS Customer Survey Update

Director Esau said that the BDS online customer survey closed on October 12, 2018. Survey invitations were sent to over 8,000 customers, and over 1,200 individuals completed surveys. Results are being tabulated by Portland State University, and BDS will receive a survey report by the end of November.

Demolition Extensions

Terry Whitehill (BDS) distributed and reviewed the handout ***Policy for Extensions on Residential Demolition Permits***.

BDS Budget Advisory & Financial Advisory Committees

Mark Feters (BDS) described BDS's Budget and Financial Advisory Committees and opportunities for DRAC members to participate on the committees. Feters said he would send a follow-up email to DRAC members with details on the meetings. DRAC members Holly Huntley and Shea Flaherty Betin indicated potential interest in participating.

1 & 2 Family Code Guide for Habitable Space Standards

John Butler (BDS) reviewed the handout ***Habitable Space Standards Code Guide*** and described the proposed code changes. The changes should go into effect in about a month.

Meeting Minutes

Minutes from the September 20, 2018 DRAC meeting were reviewed and approved.

Mayor's 30-Day Assignment

Director Esau reminded attendees that on September 6, 2018, it was announced that BDS would be moving into Mayor Wheeler's portfolio of bureaus. Mayor Wheeler gave BDS 30 days to produce recommendations on ways to speed up the permitting process. Director Esau reviewed the handout ***Summary of Mayor's 30-day Assignment*** and gave an update on BDS's work on that task.

DRAC Vice Chair Claire Carder asked about data regarding sticking points in the review process. Director Esau replied that reviewers know the sticking points quite well, and each review group can identify common issues. BDS will be identifying these issues and improving its application submittal forms, as well as providing training for customers to help them avoid the sticking points. The bureau will also be implementing suggestions from BDS and other development bureau staff regarding process improvements.

Huntley asked whether specific types of permit applications are causing more problems. Director Esau said the problems occur across the board, affecting all permit types.

DRAC Member Sarah Radelet said that Planning & Zoning reviewers have checklists for applications that they review, to determine whether submittal requirements have been met. Radelet suggested that a single, large checklist be created for all reviewers Citywide to use. Applicants could be required to submit the checklist along with their application.

Esau said the challenges would be in getting the checklist to applicants before they apply, and in creating a checklist that accurately reflects the complexity of the codes. Radelet replied that even if customers don't use the checklist, having all City staff working off the same list would help. Director Esau said that BDS can talk with staff who currently don't use checklists to see if using a checklist would work, and can explore ways to get such a checklist out to customers. Director Esau noted that Transportation (PBOT) and Environmental Services (BES) staff use checklists for at least some of their reviews.

Flaherty Betin asked about the possibility of developing a pre-screening tool (technology) that could identify issues as plans are submitted. Director Esau said that this could be explored once ePlans (electronic plan review) is implemented and BDS is not reliant on paper plans anymore.

DRAC members and City staff discussed pre-submittal meetings. DRAC members reported using this service more in other jurisdictions, were very supportive of its use in Portland, and expressed willingness to pay for the service and participate in pilot testing.

Kurt Krueger (PBOT) and Elisabeth Reese-Cadigan (BES) discussed the ideas contributed by staff from the other development bureaus (pages 2-3 of the handout).

DRAC Member Paul Delsman asked whether BDS has considered applying the Facility Permit Program (FPP) model to the rest of the bureau. Director Esau said there have been conversations about applying concepts from FPP and the Field Issuance Remodel (FIR) program to the rest of the bureau.

Portland Public Portal Update

Corbett Oliver (BDS) reviewed the handout **POPS Public Portal Upgrade** and gave a status update on the upgrade.

Huntley asked whether online inspection requests for building inspections will be coming in the future. Oliver replied that there is nothing that would prevent it; BDS is just starting out small with implementation, then expanding in later phases. The schedule for the future phases is not known yet. Dan Cote (BDS) added that there is infrastructure and integration work that will need to be done before building inspections are included.

Historic Resources Code Project

Brandon Spencer-Hartle (BPS) reviewed the handout **Historic Resources Code Project Overview** and gave an update on the status of the project.

Guest Sam Noble asked for clarification regarding whether demolition means a full tear-down, or the taking down of any portion of a structure. Spencer-Hartle replied that they will be proposing definitions for what qualifies as an historic resource demolition.

Radelet asked whether other incentives for preservation are under consideration. Spencer-Hartle said that there has been a lot of interest in non-regulatory/financial incentives. Oregon does provide a financial incentive, but that program is set to expire in about 1½ years. BPS is looking into interest in the State legislature in extending the program.

Spencer-Hartle said that the biggest challenge is that that some of public's biggest concerns are with things that are outside the City's control.

A project discussion draft will be released in December 2018, and BPS will hold open houses into early 2019. The Planning & Sustainability Commission will hold hearings in spring 2019.

Inclusionary Housing Update

Sandra Wood (BPS) gave an update on Inclusionary Housing (IH) implementation. City Council adopted a phased implementation approach for IH. The initial rate is currently set to expire on January 1, 2019, but the Planning & Sustainability Commission just voted to extend the date to January 1, 2021. This matter will now go to the City Council for approval.

Carder asked DRAC members how IH has impacted them. Kopca said IH has added a significant financial burden to development; IH can easily add 20% to a project's cost. Many developers are still working on projects they submitted prior to IH implementation. In addition, IH brings with it state and federal regulations that are unfamiliar to many developers. As a result, IH impacts both costs and project management.

DRAC Member Lauren Jones said that multifamily (MF) permits have slowed way down; MF development is no longer feasible because of IH and high construction costs. The timing of IH was unfortunate because of other dynamics in the development industry.

Tyler Bump (BPS) noted that when the Planning & Sustainability Commission passed the extension, only one person testified. BPS has heard from property owners about the impact of IH on property values, but there has been little public testimony. They are looking to go to City Council in mid-December 2018 (likely Dec. 12).

Guest Allison Reynolds said that some MF developers can make it work, but not in the central city. Reynolds has seen a number of projects with group housing or shared kitchens. Developers are looking for options and being more creative with MF development, rather than just sitting out.

Pulse of the Industry

Carder initiated a discussion on current industry trends.

Flaherty Betin said there is a significant reduction in retail units for rent. Some of the entrepreneurs they work with are building their own spaces. Flaherty Betin is excited about BDS adding small business support positions.

Kopca observed that financing for development is harder to come by, though people are still looking at a few large projects downtown. The demand is there, but regulations and financing are the big issues.

Huntley said the business for accessory dwelling unit (ADU) development is stable. Huntley's design colleagues are seeing a slight pause and are waiting to see what will happen.

Radelet said they are seeing a little bit of slowdown. People are struggling with the sequential nature of the land division process, and Public Works Permitting (PWP) is slowing the process down.

DRAC Member Martha Williamson said they are feeling a slowdown. Delsman said that market-rate housing isn't being built in Portland – only affordable housing. In the last 30 days, they are seeing an impact from new US tariffs, though not yet from the tariffs on steel. This is a good market for subcontractors – high demand, low supply. Subcontractors are backlogged through 2019.

Harrison said that hospitals (like OHSU) are full and under pressure to grow from an aging population and medicare increases. At the same time, the federal government is chipping away at payments, so revenues are going down. Federal reductions combined with increasing local regulations makes it harder for projects to pencil out.

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