



City of
PORTLAND, OREGON

Development Review Advisory Committee

Development Review Advisory Committee
Meeting Minutes
Thursday, February 21, 2019

DRAC Members Present:

Alexander Boetzel
Holly Huntley

Claire Carder
Lauren Jones

Shea Flaherty Betin
Jennifer Marsicek

City Staff Present:

Beth Benton (BDS)
Rick Faber (Forestry)
Elshad Hajiyev (BDS)
Erin Mick (Water)
Andy Peterson (BDS)
Dave Tebeau (BDS)

Dan Cote (BDS)
Mark Feters (BDS)
Sarah Huggins (Parks)
Doug Morgan (BDS)
Elisabeth Reese Cadigan (BES)
Sandra Wood (BPS)

Rebecca Esau (BDS)
Darryl Godsby (BDS)
Kurt Krueger (PBOT)
Diane Parke (BDS)
Kim Tallant (BDS)

Guests Present:

Sean Green, NE Coalition of Neighborhoods
Ashley Fleschner, National Association of the Remodeling Industry Pacific NW
Sam Noble
Allison Reynolds, Stoel Rives LLP

DRAC Members Absent:

Jeff Bachrach
Mitch Powell
Justin Wood

Paul Delsman
Sarah Radelet

Michael Harrison
Martha Williamson

Handouts

- Draft DRAC Meeting Minutes 01-17-19
- Inter-Bureau Code Change List
- Non-Cumulative Cost Recovery Report
- BDS Major Workload Parameters
- BDS Business Continuity Plan Summary
- Land Use Fee Memo to Council
- Land Use Fee Ordinance
- Land Use Fee Schedules
- DRAC Role & Membership Discussion
- Title 3.30.030 Development Review Advisory Committee
- Simple Bathroom Permit Criteria
- Simple Bathroom Permit Pre-Construction Checklist
- Upcoming City Council Agenda Items

Convene Meeting

DRAC Vice Chair Claire Carder convened the meeting and welcomed DRAC members, City staff, and other attendees. A quorum was not present to review minutes from the January 17, 2019 DRAC meeting.

Announcements

Timing of Commercial Building & Mechanical Permits

Doug Morgan (BDS) introduced a proposed process change regarding building and mechanical permit applications for commercial new construction. Currently, BDS allows a mechanical permit application to be submitted after the main building permit application. However, the overlap between structural and mechanical designs creates issues for BDS plans reviewers. BDS is therefore proposing a requirement that mechanical permit applications be submitted concurrently with building permit applications. Morgan stressed that this will apply to commercial new construction only. This is already a requirement on larger process-managed projects.

Morgan said that BDS typically provides 30-day notices for process changes, but in this case more notice may be required. Morgan asked DRAC members for feedback and questions.

DRAC Member Alexander Boetzel said that the challenge with submitting concurrently is that building designers want to submit permit applications as early as possible, but mechanical systems design needs enough time to be done thoughtfully. Requiring early submittal for mechanical permits will affect that. DRAC Member Lauren Jones agreed, adding that it can take 3-4 months for issuance of a simple building permit, and they don't bring the mechanical in until after that. Jones asked for more time to talk with others and provide feedback.

After discussion, DRAC members agreed to take this proposal back to their peers and provide feedback to Morgan prior to the next DRAC meeting on March 21, 2019. The proposal will be on the March 21 DRAC meeting agenda for further discussion.

BDS Financial Update / Land Use Fees

Eshad Hajiyev (BDS) gave an update on BDS finances and reviewed the handouts **BDS Major Workload Parameters**, **Non-Cumulative Cost Recovery Report**, and **BDS Business Continuity Plan Summary**. Hajiyev reported that there have been no changes in the BCP Summary since last month. The bureau is still seeing declines in the numbers and valuation of permits, but the pace of those declines is decelerating.

BDS laid off 4 employees in December 2018 (3 from the Land Use Services (LUS) Division and 1 from Business Operations and Finance); 9 more LUS employees are being laid off and 6 re-assigned from January-March 2019.

BDS presented its Land Use fee change proposal to City Council yesterday (February 20, 2019). Hajiyev referenced the handouts **Land Use Fee Memo to Council, Land Use Fee Ordinance**, and **Land Use Fee Schedules**. The goal is to increase overall LUS revenues by 5%. Some individual fees will increase more than 5%, but others will increase less or not at all. The increases are designed to stabilize LUS's funding and ensure service delivery while not disincentivizing customers from accessing services. City Council will hold a second reading and vote on the increases on Wednesday, February 27, 2019.

Hajiyev said that BDS will be proposing changes to several of its other fee schedules, with an effective date of July 1, 2019. Hajiyev reminded attendees that most BDS fees have not changed in the last 5 years. Additional information on fee changes will be brought to the DRAC at upcoming meetings.

DRAC Membership / Role / Plan for 2019

BDS Director Rebecca Esau reviewed the handouts **DRAC Role & Membership Discussion** and **Title 3.30.030 Development Review Advisory Committee**. Given that a quorum was not present, Esau asked members to review the handouts and be prepared to discuss at the March 21, 2019 DRAC meeting.

Jones said she spoke with members of the NAIOP/BOMA group that has been meeting with BDS and other bureau staff to talk about process and collaboration. The group members are open to working with the DRAC more closely. They specifically discussed:

- Having a commercial development position on the DRAC;
- Continuing to have discussions with City managers about issues;
- Becoming a DRAC "working group", rather than a subcommittee;
- Developing a list of issues to be discussed with City staff over next 6-12 months, outside of DRAC meetings;
- Getting earlier notice on policy changes/issues, so they can meet with staff and report back to the full DRAC.

DRAC members agreed that further review and discussion was needed. Members asked Mark Feters (BDS) to email the handouts to DRAC members with a summary of the discussion and instructions to review and come prepared to discuss at the March 21, 2019 DRAC meeting.

Residential Infill Project

Sandra Wood (BPS) gave an update on the Residential Infill Project (RIP). BPS has been working on the RIP with BDS and the community for 4 years. The Planning & Sustainability Commission (PSC) held a public hearing on the RIP in May 2018, in addition to 8 work sessions. S. Wood said that the PSC felt that BPS staff hadn't gone far enough in allowing for more units, and they directed staff to go further.

Two weeks ago, BPS published an updated RIP proposal; the PSC reviewed it and suggested 8 additional amendments. The next PSC work session on the RIP is scheduled for February 26, 2019, and the PSC will likely vote on the proposal on March 12 or 19, 2019. The main issues still up for discussion are:

- Allowing for 4 units on a single lot in most of the city, and re-doing the displacement risk analysis.
- While the proposal would result in fewer households displaced than under the current code, it would increase displacement in Lents, Brentwood-Darlington, and Montavilla east of 82nd Avenue.

S. Wood suggested that if the DRAC wants to submit a letter regarding the RIP, it should be directed to the City Council rather than the PSC, since the PSC public comment period has closed. S. Wood said the proposal should go to the City Council in summer 2019.

DRAC Member Shea Flaherty Betin said that in the Lents area this is big topic of conversation for the business and neighborhood associations. They want to talk with the City Council about it and are waiting to see what emerges from the PSC.

Carder suggested that a DRAC subcommittee be established after the proposal is released from the PSC; Betin expressed interest in participating if that occurs.

S. Wood said that BPS could come back to the DRAC regarding the RIP in April or May 2019, after the PSC releases the proposal in March. Carder asked to put the issue on the April 2019 DRAC agenda. Once the proposal is released from the PSC, BDS will send it to DRAC members.

Kurt Krueger (PBOT) asked whether RIP will be impacted by legislation from the Oregon State legislature. S. Wood said there are two pieces of related legislation under consideration by the State legislature. One would require cities to allow 4 units on each lot, which is similar to the RIP; it could require tweaking of the RIP. The second bill would require 75 units per acre located within quarter mile of transit, and 45 units per acre located within .5 miles of transit. In addition, other cities in Oregon are working on or have implemented similar legislation but have not studied displacement as thoroughly as Portland.

Simple Bathroom Permits

Dave Tebeau (BDS) reviewed the handouts **Simple Bathroom Permit Criteria** and **Simple Bathroom Permit Pre-Construction Checklist** and gave an overview of the proposal. The goal of the proposal is to streamline the process for simpler bathroom permits by moving them out of the Development Services Center (DSC), allowing DSC staff to focus on more complex permits. The proposal covers permits for bathrooms in existing homes that do not involve exterior changes. Qualifying applications would be submitted online, and an inspector would hold a pre-construction meeting at the job site with the applicant. The inspector would perform the life safety review, determine if the planned work would meet code, and sketch out the plan. After permit issuance, inspections would follow the usual process.

Pulse of the Industry

Carder asked DRAC members for updates. Betin said that retail space affordability continues to be an issue and is driving their clients to go with food carts. They are having conversations with PBOT around food cart displacement in downtown and finding ways to maintain food cart culture, which they see as a way for diverse entrepreneurs to enter the food industry and thrive.

DRAC Member Jennifer Marsicek said they are still very busy. They're focusing more on public work, but still have a lot of private work. There is a movement to design-build delivery method on projects, and they are seeing more permits get divided up – separate grading, site, and building permits.

Jones said they are also very busy and have a lot of projects “in pursuit” – not quite ready to submit for permit. Half of their “in pursuit project” projects are in the suburbs, though they continue to submit projects in Portland. They are concerned about maintaining the level of service at BDS with the staff layoffs. Construction costs are very high.

Esau noted that the layoffs in BDS Land Use Services (LUS) have been smaller than the decrease in workload, so it shouldn't have a significant impact on service levels.

DRAC Member Holly Huntley said they have a strong pipeline of Accessory Dwelling Unit (ADU) work. They are waiting to see what the RIP will do for their industry and clients.

S. Wood said that BPS published Design Overlay Zone Amendments (DOZA) just a couple days ago; information can be found at <https://www.portlandoregon.gov/bps/78718>. BPS will come back to the DRAC in March or April 2019 with more information.

The next DRAC meeting is scheduled for March 21, 2019.
Minutes prepared by Mark Feters (BDS).