



City of  
**PORTLAND, OREGON**

Development Review Advisory Committee

**Development Review Advisory Committee**  
**Meeting Minutes**  
**Thursday, April 16, 2020**

**DRAC Members Present:**

Jeff Bachrach  
Paul Delsman  
Lauren Jones

Alexander Boetzel  
Sean Green  
Martha Williamson

Claire Carder  
Michael Harrison  
Justin Wood

**City Staff Present:**

Adrienne Aiona, BES  
Alex Cousins, BDS  
Mark Fetters, BDS  
Stephen Himes, BES  
Kurt Krueger, PBOT  
JP McNeil, BPS  
Doug Morgan, BDS  
Ken Ray, BDS  
Kim Tallant, BDS  
Terry Whitehill, BDS

Beth Benton, BDS  
Rebecca Esau, BDS  
Darryl Godsby, BDS  
Sarah Huggins, Parks  
David Kuhnhausen, BDS  
Erin Mick, Water  
Kyle O'Brien, BDS  
Elisabeth Reese Cadigan, BES  
Dave Tebeau, BDS  
Duane Whitehurst, BDS

Wayne Close, PBOT  
Rick Faber, Urban Forestry  
Elshad Hajiyev, BDS  
Casey Jogerst, Forestry  
Elliot Lisac, Water  
Teresa Montalvo, PBOT  
Yung Ouyang, Budget Office  
Nate Takara, Fire  
Raul Torres, BDS  
Sandra Wood, BPS

**Guests Present:**

Krista Bailey, Urban Renaissance Group  
Ashley Fleschner, NARI PNW  
Michelle Schulz, GBD Architects  
Susan Steward, BOMA

John Castle  
Ezra Hammer, Home Builders Association  
Suzannah Stanley, Mackenzie

**DRAC Members Absent:**

Shea Flaherty Betin

Holloway Huntley

Jennifer Marsicek

**Handouts (all handouts are available at <https://www.portlandoregon.gov/bds/46406>)**

- Draft DRAC Meeting Minutes 2/20/2020
- Inter-Bureau Code Change List
- Non-Cumulative Cost Recovery Report
- BDS Major Workload Parameters
- BDS Business Continuity Plan Summary
- BDS Update to DRAC 4/16/2020
- Land Use Expiration Date Extension Project
- Draft BES Fees 4/16/2020
- Title 11 Trees Fee Schedule
- Upcoming City Council Agenda Items

### **Pre-Meeting**

Due to the coronavirus pandemic, the DRAC meeting was held online through the Zoom platform. DRAC Staff Liaison Mark Fetters (BDS) reviewed basic instructions on the use of Zoom.

### **Convene Meeting**

DRAC Chair Paul Delsman convened the meeting and welcomed DRAC members, City staff, and guests. Notes from the February 20, 2020 DRAC meeting were reviewed and approved.

### **Coronavirus/BDS Services Update**

BDS Director Rebecca Esau shared the presentation ***BDS Update to DRAC 4/16/2020***, which provided an overview of the current status of BDS services.

DRAC Member Justin Wood asked about the timeline for BDS to begin accepting residential remodeling permit applications again. David Kuhnhausen (BDS Permitting Services) said they will begin accepting remodel permits the week after next; they will begin accepting commercial building permits next week.

J. Wood said that currently DevHub does not allow applicants to pay for new single-family residence (NSFR) permits online. They have to meet the cashier at the counter and pay over the phone to be able to pick up NSFR permits. Director Esau replied that they will be working on a fix.

DRAC Member Michael Harrison said that OHSU (Oregon Health & Science University) has needed to get permits to convert existing spaces in their buildings into testing and lab spaces and for external drive-through testing sites, all related to COVID-19. OHSU staff has had only positive things to say about the permitting and approval processes for setting up these facilities.

Delsman noted that in the Forecasted Service Levels on BDS's website (<https://www.portlandoregon.gov/bds/article/758932>), Tier 6 submittals are limited to 20 pages if submitted as a PDF. Delsman said that there aren't many commercial jobs that have less than 20 sheets in a submittal. Director Esau said that is for projects that aren't going through process management. For new larger projects, applicants are encouraged to go through process management, which is using ProjectDox. BDS recognizes that the number of pages is an issue.

Delsman asked for confirmation that by the end of April there won't be any limitations on what projects can be submitted to BDS. Kuhnhausen said they're working to make as many services available to customers as possible, but the real issue is how to bring in corrections. BDS is taking corrections via PDF, which means staff is not switching out individual pages as they would be with ProjectDox or a paper submittal. This requires staff to go through every single page to identify if a change was made, and there is a limit as to how big a submittal can be before it becomes unmanageable. That's why BDS wants to make sure that customers have the tools to use ProjectDox in its full capacity. Training materials need to be created for customers and staff. Kuhnhausen encouraged DRAC members to check the BDS website or reach out to Kuhnhausen if they have questions.

Guest Ezra Hammer (Home Builders Association) asked whether all of this week's 10 NSFR permit slots are filled, and if so, how many applicants attempted to submit applications. Kuhnhausen replied that since the change rolled out on Monday, no one signed up for spots on Monday and Tuesday, but the other six spots (Wed. – Fri.) have been filled and staff is scheduling for next week. Kuhnhausen hopes that their capacity will continue to increase so that more NSFR applications can be taken in.

DRAC Member Sean Green asked if there has been any communication with current applicants to determine if (from the applicant's perspective) the reviews are still a priority. Some projects have been put on hold for various reasons by owners, but that information might not be making its way to BDS. Director Esau said there were meetings with the Home Builders Association last Thursday and with another group of developers last Friday regarding this issue. Director Esau asked DRAC members to help notify customers to communicate back to BDS if a project is on hold or is not urgent, so staff can focus on projects that are moving forward.

### **City Announcements/Updates**

#### **Stormwater Management Manual Update**

Adrienne Aiona (BES) said that BES intended to put the Stormwater Management Manual out for public comment last fall, but the manual is now scheduled to go out for public comment in early to mid-May. At the same time, BES will be making an update to Portland City Code Title 17.38, Drainage & Water Quality (<https://www.portlandoregon.gov/citycode/28865>), which will further lengthen the manual update process. They will be going to City Council with the code update in August 2020, and anticipate that the manual and code change will go into effect sometime in fall 2020. As is standard practice, there will be a 3-month grace period where projects will be able to use either the previous manual or the new manual.

Aiona said there will be two webinar-style presentations to cover the changes, plus a presentation for the online packet calculator for sizing facilities, and information will be posted online as well. The DRAC will be notified when the draft manual is released.

DRAC Member Martha Williamson asked for confirmation that the updated manual is vested for Public Works Permits and Capital Improvement Projects with 60% submittal, not approval. Aiona couldn't confirm with certainty, but said that sounded correct. Williamson asked if the building permit is vested with the application, not with land use, and Aiona said that is correct.

#### **Water Bureau Updates**

Erin Mick (Water) noted that all Water Bureau staff has City network access from home, so Mick's staff is able to do reviews. They have been working very hard with BDS and the POPS (Portland Online Permitting System) team to make their fees payable online through DevHub; final testing is taking place with launch anticipated today or tomorrow. Mick said that Water will announce service changes through BDS's development services updates, in addition to sending notices to fee customers. Water Bureau maintenance and construction crews have been increasing their availability over the last few weeks and are able to install any requested water service. Supervisors are contacting contractors weekly to identify whether service requests need to be filled immediately or can wait.

Finally, Mick said that staff has been working on an administrative role for the Water Bureau that will cover standard separations and clarify some submittal requirements that relate to plan review for both building permits and capital improvement projects. They're hoping to have more information by the May or June 2020 DRAC meeting. In response to a question, Mick clarified that there are no limitations to the amounts of Water fees that can be paid through DevHub.

### **Land Use Review Extensions III**

Sandra Wood (BPS) shared the presentation *Land Use Expiration Date Extension Project*. The project will extend the expiration dates of some land use reviews, pre-application conferences, and inclusionary housing rates to provide relief to applicants from the impact of the pandemic on City services and the economy.

#### Land Use Reviews

Most land use approvals expire if a building permit for a project hasn't been issued within three years of the final land use decision. With the pandemic, some land use approvals would be expiring at a time when submitting a building permit is either difficult or uncertain for the applicant, and once expired they have to go back through the land use process again. The expiration dates of land use reviews and preliminary plan reviews approved between September 1, 2017, and September 1, 2020 are being extended until January 1, 2024.

#### Pre-Application Conferences

Pre-application conferences normally expire within one year of the conference occurring; the proposal extends that period to two years.

#### Inclusionary Housing Standards

The inclusionary housing standards outside the Central City are lower than the standards inside the Central City, and those lower standards are currently set to expire on January 1, 2021. This proposal delays that expiration date to January 1, 2024.

S. Wood said the proposed draft should be released to the Planning & Sustainability Commission (PSC) next week, and encouraged DRAC members to contact S. Wood or Project Manager J.P. McNeil with comments. The PSC hearing is set for May 26, 2020, and they hope to go to City Council in early July.

### **Fee Updates**

#### BDS

Kyle O'Brien (BDS Budget & Finance) said that BDS is delaying all fee changes for the time being; the bureau may propose fee changes later in the fiscal year. An announcement of the delay should be available on the BDS website soon.

### Transportation (PBOT)

Kurt Krueger (PBOT) said that PBOT is not proposing any land use or building permit fee changes, but will bring the same fee ordinance that they took last year to City Council. Krueger thought they would highlight the subsidy that's going to be necessary to offset the fee increases, so City Council is aware of that. They don't yet have a decision on SDC (Systems Development Charge) fee increases. City Code mandates a 2.8% increase, and it would take an action of City Council to prevent that.

Krueger noted that PBOT has been active during the pandemic, including:

- Extending the hours of operation for work in the right of way.
- Working with Portland Public Schools (PPS) and a number of hospitals regarding potential traffic queuing and control.
- Transitioning to working with laptops and remote access. PBOT collaborated with the interagency bureaus and BDS to identify projects that are close to final reviews and contact applicants to find out if those projects are still active, so they can focus on projects that are really moving to construction.

### Environmental Services

Elisabeth Reese Cadigan (BES) said that BES is not increasing its permit and land use review fees for the next fiscal year, and referenced the handout ***Draft BES Fees 4/16/2020***. Reese Cadigan noted that BES has proposed a 2% increase for line and branch charges, a 4% increase for Sewer Systems Development Charges (SDCs), and a 1% increase for Stormwater SDCs. The proposed SDC increases are due to BES following the State's reimbursement methodology. All of the proposed changes are subject to pending guidance from the Mayor. They don't have a date yet for taking the rate proposal to City Council.

### Parks

Sarah Huggins (Parks SDC Program) said that the City Council adopted an ordinance yesterday that will delay the Parks SDC fee index for a full year, so Parks SDC fees would next be indexed on July 1, 2021. The ordinance also made some improvements to the fee index methodology with the intent of smoothing some of the changes by moving from an annual change to a three-year moving average, and changing the 12% cap over a two-year period to a 6% cap in any one year.

### Urban Forestry

Rick Faber (Urban Forestry) reviewed the handout ***Title 11 Trees Fee Schedule*** and gave an overview of proposed fee changes. Faber said the proposed 5% increase on development permits is needed to keep pace with cost increases, and should put Forestry at cost recovery.

DRAC Member Jeff Bachrach asked why Forestry is not delaying its fee increases like the other development bureaus. Faber replied that Forestry is not able to build up a reserve fund to maintain operations through permit volume downturns and other issues, so they have to raise fees to keep pace with cost increases. Faber offered to research and share a more detailed answer with DRAC members at a later time.

## Water

Mick (Water) said it is unclear whether the Water Bureau will increase fees; they are still waiting for City Council to give direction on what the water rates are going to be. Mick will let the DRAC know as soon as the Council provides direction.

## **Subcommittee Updates**

### Process Improvement & Technology Subcommittee

Green said the subcommittee last met on February 20, 2020, and will meet again in May. The subcommittee has been getting regular updates on the POPS ePlans project. Most of the subcommittee's work has been focused on BDS's Business Process Improvement (BPI) project. They will be looking for additional customers to join, and asked DRAC members to reach out to contacts that might be interested in providing feedback on BPI.

### Policy Subcommittee

Fetters (BDS) said the subcommittee last met in early March, just before City staff began to work remotely. At that meeting the subcommittee discussed ways to make the **Inter-Bureau Code Change List** handout more robust, possibly with the subcommittee reviewing the document and highlighting items for the full DRAC's attention.

Bachrach said that there is a lot of information in the document, but the DRAC doesn't really make use of it. The subcommittee talked about making the document more user-friendly. Delsman said the project names and next steps provided in the **Code Change List** are generic enough that they don't provide much value, but more information is available through the project websites.

Fetters said that the subcommittee discussed identifying specific code changes from the document that are going to be of particular interest, doing research into those issues, and then bringing them to the full DRAC. Harrison encouraged DRAC members to take advantage of the information in the document to be more proactive in researching projects of interest.

S. Wood (BPS) referenced the project steps in the fourth column of the document, and said that BPS tries to bring its projects to the DRAC at step three, the discussion draft phase, before the project goes to the Planning & Sustainability Commission (PSC). S. Wood encouraged DRAC members to share feedback on BPS projects with Bachrach, who also sits on the PSC.

DRAC members and staff discussed the use of the project steps column. Director Esau said that when the document was created, the steps were conceptual; step one was at the very beginning of the project, step five meant the project was about to go to City Council. Director Esau recommended the subcommittee focus on projects in steps one and two, when they can still be potentially influenced.

Harrison asked that bureaus more clearly describe projects in the **Code Change List**. Krueger suggested that the DRAC push for a more formal process regarding how bureaus engage the DRAC, PSC, and City Council on projects.

DRAC members also discussed the request the subcommittee sent to the development bureaus to identify upcoming projects related to development. Feters said that two or three of the bureaus responded, and that information was provided to the subcommittee.

Reese Cadigan said that BES has been updating the **Code Change List** with significant projects and trying to engage the DRAC early, as they did with the Stormwater and Source Design manuals. Reese Cadigan said that BES will improve its information on the list based on this discussion. S. Wood offered to attend subcommittee meetings on behalf of BPS.

#### Residential Demolition Subcommittee

Feters said that Residential Demolition Subcommittee liaison Nancy Thorington (BDS) reported that staff is drafting administrative rules and that a subcommittee meeting will be scheduled once the rules are ready to be reviewed and discussed.

#### Public Works Subcommittee

Williamson said the Public Works Subcommittee had its first meeting right before City staff began working remotely. There was a group of civil engineers and a few DRAC members present, and they began a discussion of key public works issues. No additional meetings have been scheduled yet.

#### **Industry Updates**

Delsman invited DRAC members and others to give updates. Delsman said with Governor Brown identifying commercial construction as an essential industry, in excess of 90% of Delsman's firm's projects are moving along fairly successfully. They've seen a few tradespeople who have chosen to be furloughed rather than continue to come to work. The longer-term issue is supply chain disruption - building materials are going to be the problem sometime in the next few months.

J. Wood said that the residential construction industry in Portland has been able to implement a lot of measures to protect job sites. The residential construction state association has been working with OSHA to put together a training class for residential builders. Work has slowed down a bit because builders are limiting the number of people on job sites. They are doing other things like asking home buyers to do walk-throughs remotely via video, rather than in-person. Realtors are saying that people who were just looking at homes have gone away, but people who need a house are still looking. Sales haven't dipped quite as much as expected, but traffic has dipped quite a lot.

Green's firm primarily does extensive single-family remodels and new construction. They have been able to implement safety measures and they're able to work on job sites that aren't occupied. Green said there is a lack of clear guidance on accepted protocols, and it's concerning. There should be standardized protocols that can be disseminated so all in the industry are following best practices.

DRAC Member Lauren Jones said their primary focus has been doing workouts with restaurants and retail tenants that were closed after Governor Brown's executive order. From the commercial real estate landlord's perspective, it's best to have workout situations with tenants; major landlords from the institutional side are also looking at ways to work out with their tenants, whether it's rent abatement in exchange for an additional term or partially-abated rent.

Jones said that about 90% of the 500 units in their multifamily portfolio paid rent in April; 3-5% of tenants said they could not pay rent because of COVID-19 impacts. Jones anticipates a lot more impacts in May and June. Since there is a moratorium on residential evictions, landlords are working with their lenders. When tenants can't pay rent, landlords can't pay mortgages, depending on their leverage. The industry is working on the policy level to get protections for landlords so they won't go into default and banks won't start owning assets.

DRAC Member Alexander Boetzel said that things are going surprisingly well. They developed a list of Covid-related regulations for job sites. There have been some delays, but they haven't seen any supply issues yet.

Harrison said that OHSU has a number of development projects every year, including research space, remodels, and larger projects, such as a current hospital expansion. They are continuing to work on all their current projects. Their annual capital budgeting process has been delayed, impacting future project planning. They'll have a much better sense of which projects will move forward next year by this summer. As long as there is capital available in the market to borrow money, presumably most of their projects will continue to move forward in roughly the same timeframe.

Delsman said that in the current market cycle, a significant percentage of the development work is funded by public money, which they view as more stable. They have already seen a couple private sector clients that were in preconstruction or early design phases put their projects on hold for six months. They'll work through the public funded projects over the next 18 to 24 months, so it provides some stability in intermediate term.

Williamson said they've seen all their private development projects placed on hold. Affordable housing projects and some public projects are still going forward. They aren't expecting any new private development.

Carder said that everything has kind of turned on its head in the community involvement world because traditional public meetings are no longer allowed. Carder sits on other public involvement committees that are looking at what the future holds for getting public and community input on projects. Their initial tentative thought is that mail is still one of the best ways to contact people. They're concerned with involving communities that are the most difficult to reach – non-English-speaking or English as a second language communities, or people that don't have access to electronics except through public resources, like libraries and schools, which are all now closed.

Bachrach said a lot of clients (land use and real estate) who are launching new projects or in the early stages of new projects are slowing them down or putting them on hold. Projects that are already well into the pipeline are moving forward. Bachrach is concerned about how things will look in three to five months.

Bachrach said the Planning & Sustainability Commission has three pretty significant legislative packages moving through. First, the Central City plan that was adopted two years ago went up on appeal and has been remanded back to the City. Major downtown projects are stuck in limbo; the old code is in effect, and with rare exceptions most of these projects want to get entitled under the new code. They're waiting on the City Council to adopt a fix to the remand, which should happen in May. Second is a project to allow churches and other community organizations who want to develop housing on their properties to move forward. There was a package of code changes that's also waiting at City Council, and there are a number of projects that are sort of relying on that code change package to happen. Third is the Residential Infill Project, which was getting close to the finish line but has been stymied by the inability to have meetings and hearings. These three legislative packages will affect and help development, and BPS is working with the Mayor's office to get hearings scheduled in front of City Council in April and May.

Krueger (PBOT) said that PBOT is largely funded by gas tax and parking revenue, which has quickly declined. PBOT is losing about \$7 million a month right now. If development activity declines, PBOT's fee revenues will decrease, which makes it harder to pay staff. Krueger is having conversations with PBOT's capital side regarding sharing staff so they don't lose quality employees.

Director Esau (BDS) said much has changed in how BDS does its work. Going forward, BDS will need far less office space, because a lot of the remote working systems developed now will remain after the pandemic. Director Esau asked if DRAC members foresee that happening with other companies and organizations as well. Delsman said that for many, some portion of their work could be done remotely, but some needs to be in the office or another location. Most businesses are addressing their foundational components but other functions have been put on hold, and it is unclear how things will recover.

Harrison said that OHSU had an institutional goal for telework for this year, and COVID-19 is helping them meet that. OHSU should know by the end of the month which groups can telework more effectively, and which less. Even if they end up with only 10% of the workforce working from home, they still will have less demand for employee parking and office space, freeing up funding for more important things like clinical and lab space.

Jones said it's a little bit too early to tell for them, but they don't have a ton of office space in their portfolio since they sold some buildings this past year. They haven't been hearing directly from tenants about how they're going to reconfigure their spaces (or not). In thinking through future office projects, they're working with their architects on how to address the changes - putting in automatic doors, adding storage rooms for PPE (personal protective equipment), increasing ventilation, etc. Industrial space is the strongest market right now, especially with logistics, E-commerce, and food distributors, who tend to have higher employment density in their warehouses. They're considering how to manage those spaces to see if they will need additional space for their operations.

Williamson said their small engineering firm definitely is ready to go back to the office, for the collaboration and training and things that are hard to do remotely.

Dave Tebeau (BDS Residential Inspections) said that the Field Issuance Remodel (FIR) program is taking in projects on a case-by-case basis, but they've seen a decrease in applications. If a residence is occupied, they are doing inspections by video or photo only. Clients seem a bit reluctant to get started on projects.

Darryl Godsby (BDS Commercial Inspections) said that commercial inspections and the Facility Permit Program (FPP) have remained busy, as they had projects in process. They are moving toward working a bit more remotely; inspectors now receive their daily inspections on iPads, so they don't have to come to the office. FPP is also working more remotely and has started taking in more tenant improvements.

Sandra Wood (BPS) said that the City Council has been having weekly Council meetings. Last week was their first public hearing via Zoom Webinar, with those giving public testimony having to register. BPS has decided to use the same model for the Planning & Sustainability, Design, and Landmarks Commissions. The deadline to register to testify at Wednesday or Thursday City Council hearings is at 4:00 p.m. on the Tuesday before the hearing. The first big land use hearing will be the project that Bachrach mentioned, expanding religious institution housing options for affordable housing, on May 14, 2020. Wood noted that City Council meetings are still live streamed on YouTube.

#### **Other**

Fetters (BDS) reminded participants that all meeting handouts are available on the BDS website at <https://www.portlandoregon.gov/bds/46406>.

**The next DRAC meeting is scheduled for Thursday, May 21, 2020.**  
Meeting notes prepared by Mark Fetters (BDS).