



City of
PORTLAND, OREGON

Development Review Advisory Committee

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Meeting Notes

Thursday, June 18, 2020

DRAC Members Present:

Jeff Bachrach
Paul Delsman
Holloway Huntley
Martha Williamson

Alexander Boetzel
Sean Green
Lauren Jones

Claire Carder
Michael Harrison
Jennifer Marsicek

City Staff Present:

Beth Benton, BDS
Rick Faber, Urban Forestry
Douglas Hardy, BDS
Sarah Huggins, Parks
Priscilla Lim, BDS
Phil Nameny, BPS
Sherri Peterson, BES
Dave Tebeau, BDS

Mark Chang, BES
Mark Fetters, BDS
Tim Heron, BDS
David Kuhnhausen, BDS
Erin Mick, BDS
David O'Longaigh, Water
Elisabeth Reese Cadigan, BES
Nancy Thorington, BDS

Rebecca Esau, BDS
Darryl Godsby, BDS
Stephen Himes, BES
Kurt Krueger, PBOT
Doug Morgan, BDS
Yung Ouyang, Budget Office
Kim Tallant, BDS
Duane Whitehurst, BDS

Guests Present:

Krista Bailey, Urban Renaissance Group
Ashley Fleschner, National Association of the Remodeling Industry PNW
Daniel Forbes
Ezra Hammer, Home Builders Association
Michelle Schulz, GBD Architects
Suzannah Stanley, Mackenzie

DRAC Members Absent:

Shea Flaherty Betin
Justin Wood

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

- Draft DRAC Meeting Minutes 5/21/2020
- Inter-Bureau Code Change List
- Non-Cumulative Cost Recovery Report
- BDS Major Workload Parameters
- BDS Business Continuity Plan Summary
- Single PDF Process Applicant Overview
- Proposed Revisions to SDC Charges Admin Rules – ENB 4.05
- Proposed Amendments Chapter 24.55 Residential Demolitions & Admin Rule
- Upcoming City Council Agenda Items

Convene Meeting

DRAC Chair Paul Delsman convened the online meeting and welcomed DRAC members, City staff, and guests. DRAC members reviewed and approved notes from the May 21, 2020 DRAC meeting.

City Announcements / Updates

BES Systems Development Charge (SDC) Administrative Rules

Sherri Peterson (BES) reviewed the handout ***Proposed Revisions to SDC Charges Admin Rules – ENB 4.05***. The goal of the changes is to make the administrative rules more transparent. Public comment opened on June 15, 2020 and will close on July 14, 2020. While these changes focus on the administrative rules, BES has also initiated a rate study that will look at the SDC methodology, including rate calculations and how BES approaches SDCs. BES will be looking for public comment on that the rate study in 2021.

DRAC Member Michael Harrison asked whether the credit for removing an old connection in a building being demolished and replaced is continuing. S. Peterson said the credit will remain. Harrison cited an example; OHSU tore down a dentistry school building and will be building hospital at the site. Mark Chang (BES) said the site would be fully credited for connections and fixtures for the demolished building. Harrison said it's important to look at how credits are treated when SDCs are being changed, as the various bureaus treat credits differently.

DRAC Member Lauren Jones said more clarity around sanitary sewer connection charges would be helpful – when they get applied and at what point in the process.

SDCs for Accessory Dwelling Units (ADUs)

David Kuhnhausen (BDS) noted that in 2016 the City Council extended the SDC waiver for ADUs until July 31, 2018. The waiver was subsequently extended to June 30, 2020. In March 2020, BDS started receiving requests for extensions beyond June 30, 2020 due to the pandemic. It was clear that many projects could not move forward as normal, and at the same time BDS inspections was transitioning to remote operations. Therefore, on June 3, 2020, the City Council approved an extension of the waiver to September 30, 2020. For qualifying permits not finalised by that date, applicants can either:

- Pay the SDCs. This option would allow the applicant to continue working on the project, and to use the ADU as an accessory short-term rental (ASTR).
- Record a covenant on the property (through the City Office of Management & Finance) prohibiting the use of the ADU as an ASTR for a period of 10 years.

Kuhnhausen said that as of June 1, 2020, 203 projects fit the waiver criteria, with 170-180 of those under construction.

DRAC Member Jeff Bachrach said that it might have been appropriate to extend the waiver another three months, to the end of 2020. BDS Director Rebecca Esau said that BDS originally proposed extending the waiver for 6 months, but the City Council would support only 3 months.

Preconstruction Meetings

Dave Tebeau (BDS) and Joe Discascio (BDS) presented a proposal to require preconstruction meetings for residential projects. Discascio said the meetings would provide an opportunity to identify and address issues that may arise with special inspections, surveys, deferred submittals, or other areas. Commercial Inspections already uses preconstruction meetings.

Delsman said that in some jurisdictions where preconstruction meetings are required, it can take a couple weeks to schedule the meetings, which can delay construction schedules.

Tebeau said they are hoping that they may be able to use remote technology to hold the meetings virtually, and potentially not count them as inspections (since residential permits have inspection limits). They see the potential for preconstruction meetings to save projects a lot of time and money.

DRAC Member Holloway Huntley expressed support for the proposal, as a way to review details with the inspector that may not be clear in the plans or in code.

Guest Ezra Hammer said this type of consultation meeting shouldn't create timeline issues by default, and could head off issues if done early in the process. BDS needs to consistently use video inspection as an alternative moving forward; it saves the bureau time and resources and helps applicants with construction scheduling. For the first year or so of the pilot, preconstruction meetings shouldn't count toward the inspection limit.

Coronavirus/BDS Services Update

Director Esau gave status updates on BDS programs and services. The bureau is struggling to meet permit and intake process timelines. There is currently a four-week delay to even get a permit into the system. Factors contributing to delays include:

- Pent-up demand for services since City offices closed in mid-March.
- BDS was low on the priority list for technology resources to implement remote working.
- The transition from paper to digital permit submittals.
- A large number of newer staff.
- City budget impacts, including mandatory furloughs. BDS asked for an exception to furloughs since the bureau doesn't receive General Fund support and provides services critical to the construction industry, but the request wasn't granted.
- The Oregon Work Share program and the federal CARES Act provide incentive for employees to take furlough before the end of July, when the CARES Act ends. The programs also create a disincentive for staff to work overtime. Staffing is thus stretched thin, particularly through the end of July.

Doug Morgan (BDS) shared and reviewed the handout ***Single PDF Process Applicant Overview***. Morgan said this process will be in place for the foreseeable future. Permitting Services staff has found the front end of the process to be time-consuming, resulting in a 4-week backlog. BDS is working on changes to address this, and will be talking with the DRAC Process Improvement & Technology Subcommittee about it later today. Long-term, BDS wants to get to where applicants can submit plans anytime online, without an appointment.

Delsman asked how much of the four-week delay is from the learning curve, and how much is from the process itself. Kuhnhausen replied that the new process was put together quickly to allow projects to keep moving forward. The inability to meet in person with customers has resulted in delays, due to back and forth over email or telephone. In addition, staff isn't in the building to receive training. Staff who are already trained are focused on moving permits through and addressing the backlog, and don't have time to train others. Kuhnhausen said they're focused on figuring out a more efficient way to move permits from Under Application status to Under Review.

DRAC Member Jennifer Marsicek asked about the current timeline for applications to receive their first checksheets. Kuhnhausen just received new reports and hadn't reviewed them thoroughly, but said it looks like the review groups that have had timeline issues are continuing to experience them.

Morgan (BDS) said that for BDS reviews, staff has made progress in getting caught up. Review groups are hitting their capacity as the work has ramped up. Residential reviews are one week behind. Commercial reviews vary; life safety reviews are a week behind on average.

Huntley said that setting expectations for customers is important. Huntley sent an email to BDS nine days ago about submitting a project, and hasn't heard back; they have had to wait one month for an appointment. Huntley asked if it would be accurate to tell customers to contact BDS 6 weeks before they want to submit their permit application. Kuhnhausen said that Huntley should have received a call back already, but for context, BDS call center volume has greatly increased. Kuhnhausen said that 2-3 weeks is more typical for the type of permits Huntley works with (accessory dwelling units and single-family residences). Permits for alterations and additions are about 4 weeks out. There will continue to be some delays over the next couple months, particularly with staff furloughs, and customers should contact BDS as early as possible.

Kurt Krueger (PBOT) said that the other City development review bureaus are impacted by no longer being located in the same office space, and they are working on better communication to avoid delays. They are also facing a hiring freeze, which makes it challenging to remain fully staffed.

Demolition Subcommittee Administrative Rules

Beth Benton shared the presentation *Chapter 24.55 Residential Demolitions & Administrative Rule Amendments Summary* and reviewed the proposed amendments agreed to by the Demolition Subcommittee.

DRAC Member Sean Green made the following motion:

Move to recommend the adoption of the proposed updated permanent administrative rules and proposed amendments for Chapter 24.55 on residential demolitions in addition to other recommendations discussed at the DRAC Demolition Subcommittee. Additional recommendations include pursuing regulations to ensure that public health is protected during mechanical demolitions of commercial structures, pursuing a partnership with researchers to determine the effectiveness of different wetting techniques, and conduct regular program reviews including on the effectiveness of during-demolition remote video inspections.

Bachrach asked if an analysis of additional costs based on the regulations was performed. Benton replied that no formal analysis was performed, but the demolition contractors who participated in the discussions were pleased and didn't feel that the amendments would add to their costs.

DRAC members discussed whether the motion was to recommend adoption of the amendments only, or additional items from the subcommittee discussion as well. Green said the motion covered additional things that had majority support if not consensus of the subcommittee. Benton said that a lot of the items in Green's motion were in the presentation, and were agreed on by the subcommittee.

After further discussion, Green revised the motion to:

Move to recommend the adoption of the proposed updated permanent administrative rules and proposed amendments for Chapter 24.55 on residential demolitions.

The motion was seconded by Huntley and passed unanimously.

Hammer (Guest) highlighted the opportunity for the use of video inspections in the demolition inspection process, as a way to optimize staff resources and allow projects to move forward. DRAC Member Alexander Boetzel said things like monitoring dust at demolition sites will be difficult to do by video. Boetzel suggested an evaluation of the program going forward be included as a provision in the recommendations. Benton said that video inspection has been available for the second required demolition inspection for 6 months, but only one contractor has requested it and that inspection went well. Benton added that previous changes to the code have strengthened the rules around asbestos and lead removal and made sure that hazardous materials are addressed before mechanical demolition starts.

Title 33 Loading Requirements

This item was held over to the July 16, 2020 DRAC meeting.

Floating Structures

Tebeau (BDS) gave a brief update on the floating home community. Tebeau said the community is vibrant and active, with 700 – 1000 floating homes located within Portland city limits. In the year 2000, BDS and the Fire Bureau created an advisory committee to discuss standards for floating homes, since they weren't addressed in the code. In 2007, Portland City Code Title 28 was adopted and the Floating Home program was put in place. BDS continues to meet with the advisory committee, working on identifying pinch points and confusing language in the code, which are then addressed through Building Official determinations. The advisory committee is robust and very involved with the administration of the code.

Delsman asked about whether homeless individuals using floating homes is addressed in the Title 28 discussion. Tebeau said the issue is occurring outside City limits, and Title 28 covers only within City limits. BDS is talking with Multnomah County about adopting Title 28 for the county as well.

Industry Updates

Director Esau mentioned that several BDS inspectors are in quarantine due to potential COVID-19 exposures at a job site, and encouraged DRAC members to remind their colleagues about adhering to pandemic health and safety rules on their job sites. Director Esau asked DRAC members for updates and feedback on whether Multnomah County moving to Phase 1 of re-opening changes anything.

Delsman said that not much has changed over the last 90 days, and people are adjusting to the idea of the "new normal" being around for a while. Work continues to come in.

DRAC Vice Chair Martha Williamson said they are still very busy, including new private work and multifamily residential. They are eager to get back to the office but aren't sure when that will happen.

Huntley said they are seeing delays in many development-related items and processes; everything has longer lead times, including permits.

Jones said they are still working with tenants on rent abatements and talking with lenders as appropriate. They are seeing some delays, particularly on electrical equipment from the US east coast. Jones said that the Facility Permit Program (FPP) continues to do a stellar job, but other things are taking a lot longer.

Marsicek said they remain busy, with new private and affordable housing projects coming in. They also work with the City's spectator program, and those projects are very uncertain.

Bachrach expressed disappointment that BDS was forced to have non-represented staff take furlough days. Bachrach asked if the DRAC could help deliver the message to City Council that there is a disconnect in forcing BDS to take furloughs, since developers pay BDS. Bachrach also asked if City Council or other bureaus have designs on BDS's reserve fund. Director Esau said that BDS clearly made the case as to why BDS should not be compelled to take furloughs – bureau funding sources, resulting delays to projects, and the fact that BDS is supporting one of few industries still working.

But the Mayor and the unions wanted to treat all City employees the same. Director Esau didn't think others were eyeing BDS's reserve fund, and said BDS has made it clear to City Council repeatedly that there are strict limits on how the reserve fund can be used.

Green said they are staying busy, but seeing delays on materials and design partners have also mentioned delays. Green said the NE Coalition of Neighborhoods is partnering to hold a forum next Thursday (June 25, 2020) on advancing more shelters and housing.

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The next DRAC meeting is scheduled for Thursday, July 16, 2020.
Meeting notes prepared by Mark Fetters (BDS).