



City of

PORTLAND, OREGON

Development Review Advisory Committee

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To: Mayor Ted Wheeler
Cathy Bless, Chief Human Resources Officer, Bureau of Human Resources
Debbie Hussey, District Council of Trade Unions (DCTU)
Rachel Whiteside, PROTEC17
Paul Cone, PROTEC17

From: Paul Delsman, Development Review Advisory Committee (DRAC) Chair

Re: DRAC Feedback on Recent City Employee Furloughs

Date: October 9, 2020

The Development Review Advisory Committee (DRAC) is the City's primary advisory body regarding development review. This letter is intended to provide feedback to those of you who were involved in the negotiations related to mandatory Citywide furloughs.

We understand the need for cost reduction measures in difficult economic times. We are not taking a position on the use of furloughs or other cost reductions measures generally. We only seek to provide feedback on the use of furloughs within the unique context of the Bureau of Development Services (BDS) and the other bureaus that have staff involved in the development review and permitting services provided to the community.

BDS has a fee-based revenue model in which nearly all of the operations of the bureau are funded by user fees (e.g. permit fees). While there are other bureaus that collect fees or fund operations from services (e.g. the utility bureaus), **furloughs have a unique negative effect on BDS both in terms of revenue collection and service delivery, given that a reduction in service delivery reduces revenue.** There are also negative macro-level impacts when service levels drop below demand. Ensuing project delays also delay the collection of additional tax revenue from increased property or income tax related to the completion of a construction project.

While the other bureaus involved in development review and permitting (Water, Environmental Services, Transportation, Parks, Fire) have different funding mechanisms from BDS, the mandatory furloughs have a similar impact on those bureaus in terms of service delivery. This slows the development review and permitting processes precisely when they should be a priority.

Another consideration is the fact that revenues collected from fees, which makes up nearly all of the budget for BDS, are restricted by state law and cannot be used for purposes other than that for which they were collected. In other words, the revenue and reserves that BDS has cannot be used to support other City services or budget deficits. Finally, service level reductions negatively impact our community and economy.

It is our understanding that the recent furlough policy was created to provide equitable treatment to employees within Labor unions, so for example, District Council of Trade Unions (DCTU) members in BDS would be subject to the same furlough requirements as DCTU members in other bureaus. While this is a reasonable and admirable goal, we hope that future furlough decisions also thoughtfully weigh the unique way in which furloughs negatively impact the ability of BDS to meet the service demands of the community, the bureau's ability to generate revenue, its critical role in preserving jobs in the development and construction industry, and supporting the feasibility of development projects in this economic crisis when delays can result in lost financing. **Our recommendation is to not impose additional mandatory furloughs on BDS.**

Sincerely,



Paul Delsman, Chair
Development Review Advisory Committee

CC: Commissioner Chloe Eudaly
Commissioner Amanda Fritz
Commissioner Jo Ann Hardesty
Commissioner Dan Ryan

DRAC Members

Jeff Bachrach
Alexander Boetzel
Claire Carder
Paul Delsman, Chair
Sean Green
Michael Harrison
Holloway Huntley
Lauren Golden Jones
Jennifer Marsicek
Martha Williamson, Vice Chair
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