



City of  
**PORTLAND, OREGON**

Development Review Advisory Committee

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**Development Review Advisory Committee**

**Meeting Notes**

**Thursday, October 15, 2020**

**DRAC Members Present:**

Alexander Boetzel  
Sean Green  
Lauren Golden Jones  
Justin Wood

Claire Carder  
Michael Harrison  
Jennifer Marsicek

Paul Delsman  
Holloway Huntley  
Martha Williamson

**City Staff Present:**

Beth Benton, BDS  
Nik Desai, Forestry  
Darryl Godsby, BDS  
Sarah Huggins, Parks  
David Kuhnhausen, BDS  
Doug Morgan, BDS  
Kyle O'Brien, BDS  
Andy Peterson, BDS  
Jessica Ruch, BDS  
Kim Tallant, BDS  
Duane Whitehurst, BDS

Angela Butel, Budget Office  
Brenda Fahey, BDS  
Elshad Hajiyev, BDS  
Casey Jogerst, Forestry  
Erin Mick, Water  
Dawn Morris, Forestry  
David O'Longaigh, Water  
Ken Ray, BDS  
Emily Sandy, BDS  
Dave Tebeau, BDS

Ross Caron, BDS  
Mark Fetters, BDS  
Tim Heron, BDS  
Kurt Krueger, PBOT  
Teresa Montalvo, PBOT  
Phil Nameny, BPS  
Kareen Perkins, BDS  
Elisabeth Reese-Cadigan, BES  
Sara Santner, Water  
Nancy Thorington, BDS

**Guests Present:**

Krista Bailey, Urban Renaissance Group  
Ashley Fleschner, National Assoc. of the Remodeling Industry

**DRAC Members Absent:**

Jeff Bachrach

**Handouts (all handouts are available at <https://www.portlandoregon.gov/bds/81219>)**

- Draft DRAC Meeting Notes 9/17/2020
- Inter-Bureau Code Change List
- Non-Cumulative Cost Recovery Report
- BDS Major Workload Parameters
- BDS Business Continuity Plan Summary
- Administrative Fees for Land Use Processes During COVID Interim Rule
- Title 21 Revision Process: Separate Metering Proposal
- Upcoming City Council Agenda Items

**Convene Meeting**

DRAC Chair Paul Delsman convened the online meeting and welcomed DRAC members, City staff, and guests.

Delsman (DRAC) noted that the DRAC has submitted two letters since the September DRAC meeting:

- A letter regarding mandatory City employee furloughs was sent to Mayor Wheeler, the Bureau of Human Resources, and employee union representatives.
- A letter regarding loading standards in City Code was sent to the Directors of the Bureaus of Development Services (BDS) and Planning & Sustainability (BPS).

Both letters are posted to the DRAC website at <https://www.portlandoregon.gov/bds/81232>.

#### DRAC Meeting Notes

DRAC members reviewed and approved notes from the September 17, 2020 DRAC meeting.

#### **BDS Services Update**

##### Interim & New Permit Intake Processes

BDS Permitting Services Manager David Kuhnhausen said staff is responding to 95% of permit intake appointment inquiries within one day. Intake appointments for residential new construction are currently scheduled a week out; all other intake appointments are scheduled about 7 weeks out. BDS is hoping to implement online permit submittals by the time of the next DRAC meeting on November 19, 2020. Kuhnhausen (BDS) said the permit pre-issuance process has improved from 11 permits per day in July to 19 permits per day in October.

Ken Ray (BDS) noted that in response to a request made at the September 2020 DRAC meeting, a web page was created and is updated weekly that describes BDS's current turnaround time on permit appointments (see <https://www.portland.gov/bds/news/2020/9/18/permit-intake-and-response-time-delays>).

##### Administrative Fees for Land Use Processes During COVID Interim Rule

BDS Land Use Services Manager Kim Tallant reviewed the handout ***Administrative Fees for Land Use Processes During COVID Interim Rule*** and described the new rule. The interim rule will be in effect for 6 months, but BDS intends to make the rule permanent; the DRAC will be informed before that happens. The interim rule will go into effect next week.

### Tree Code Update

Emily Sandy (BDS) said that proposed amendments to the City Tree Code will go to City Council on October 29, 2020. The Planning and Sustainability Commission (PSC) aligned with the staff proposal to remove exemptions from tree preservation and tree density on private and City-owned or managed sites in IG1, EX, and CX zones, but retain those exemptions in IH zones. The PSC also recommended reducing the key threshold for required preservation or fee in lieu of preservation, as well as a fee in lieu calculated on an inch-per-inch basis, from 36" in diameter to 20" in diameter. The Urban Forestry Commission recommendation is the same, plus a recommendation to remove the tree preservation and tree density exemptions in IH zones. Both commissions recommended continuing to look at tree canopy in industrial areas through BPS's next Economic Opportunity Analysis, starting imminently. Project information can be found at <https://www.portland.gov/bds/planning/projects/potential-tree-code-amendments/news/2020/10/15/public-testimony-invited>

Lauren Golden Jones (DRAC) asked about the benefits and costs of keeping the exemption in heavy industrial zones. Sandy (BDS) said that staff is constrained by [Statewide Planning Goal 9](#), regarding the land supply for heavy industrial development.

Justin Wood (DRAC) asked whether the City Council has requested information on the impacts to housing costs, particularly for entry level housing which is disproportionately affected. Sandy (BDS) said they have asked and staff told them that the estimated cost increase (as calculated by a private firm) was based on additional housing costs, not necessarily affordability. The estimated impact was .11% over 20 years, translating to a reduction of about 54 housing units. City Commissioners have mentioned concerns about affordable housing, and staff has pointed out that there is an exception for affordable housing that meets certain thresholds (the same as for the SDC fee exemption). Wood (DRAC) stressed that each new fee disproportionately impacts the development of entry-level housing.

Claire Carder (DRAC) suggested the topic be taken up by the DRAC Policy Subcommittee; Delsman agreed, and noted that Sandy (BDS) discussed the Tree Code with the Subcommittee several months ago.

### **Other Updates**

Phil Nameny (BPS) noted that the discussion draft for the Shelter to Housing Continuum project has been released and it available at <https://www.portland.gov/bps/s2hc>.

### **BDS Financial Update**

BDS Finance Manager Kyle O'Brien provided an update on BDS's financial situation. In September 2020 BDS was at 69% cost recovery, which was the bureau's best month since the pandemic began. BDS drew \$1.9 million from reserves in September, less than the average monthly draw of \$2.5 million. The reserve balance remains healthy at \$70.6 million. Large project activity has dropped off, with many projects delayed or canceled, and there is low demand for hotels and large multifamily development.

BDS's fee change ordinance will go to City Council on October 21, and if approved will go into effect on December 1, 2020. The fee changes will help BDS keep up with rising costs and ensure the continued provision of key services.

Mandatory employee furloughs will be completed at the end of October, but employees now have voluntary options through BDS and the City to take additional furlough days or severance packages as cost saving measures. BDS has asked employees to indicate interest in any of the options by December 1, 2020. Later in December, the BDS Financial Plan will be updated and bureau leadership will determine if further changes will need to be made.

O'Brien (BDS) noted that the fiscal year (FY) 2021-22 budget development process is beginning, and the bureau will be asking for DRAC members to participate on BDS's Budget Advisory Committee (BAC) and Financial Advisory Committee (FAC).

Jennifer Marsicek (DRAC) asked if there has been a change in the number of land use applications received. BDS Land Use Services Kim Tallant said applications are down about 40% from last year. Wood (DRAC) suggested that BDS look at ways to improve the land division process; if the process was easier and cheaper, more properties might be developed. Tallant (BDS) said BDS has tried a couple times, but the process is complicated by state regulations. Wood (DRAC) felt that some of the issue is Portland's process; Wood did a land division in Milwaukie that was much cheaper and faster. Tallant (BDS) asked DRAC members for feedback on specific differences between the processes in Portland and other jurisdictions.

### **Requiring Separate Water Meters**

Erin Mick and Sarah Santner (Water) shared a presentation on proposed changes to Portland City Code Title 21 and referenced the handout ***Title 21 Revision Process: Separate Metering Proposal***.

Wood (DRAC) questioned what would happen under separate metering, with tenants paying water bills directly, when a tenant gets behind on their water bill. Mick (Water) said they could likely shutoff one tenant if needed, without impacting other tenants. Wood (DRAC) replied that it would not be ideal for a landlord to have one unit without water service. Mick (Water) said that water shutoff is a last resort that is rarely used, and it can take 1-3 years to get to that point. Wood described a scenario where a tenant gets behind on their bills and then moves out, and asked whether the landlord would need to bring them up to current. Mick (Water) didn't have an answer but will research.

Mick (Water) said the proposal is going to City Council on October 27, 2020, and would go into effect July 1, 2021 if approved. Mick (Water) noted that Holloway Huntley (DRAC) will be testifying on behalf of accessory dwelling unit (ADU) construction. Water has met with Delsman (DRAC) and Martha Williamson (DRAC), as well as Habitat for Humanity, the Portland Business Alliance, and other City bureaus. Mick (Water) noted that Habitat for Humanity has been asking for individual metering.

Sean Green (DRAC) shared a link to letters regarding the proposal from Habitat for Humanity, ProudGround, and the Home Builders Association:  
<https://drive.google.com/drive/folders/1GNj5kCv81M26B2hgTOVNPcnLEH2Eb0b9?usp=sharing>.

Green (DRAC) asked about the benefits of separate metering versus sub-metering. Santner (Water) said that sub-metering has an efficiency benefit because customers can see their usage, but the Water Bureau loses its direct connection to the customer; this means Water can't offer its financial assistance program and can't connect directly to customers in an emergency. Santner (Water) said that landlords don't want to bill for utilities. Mick (Water) added that since sub-metering is on private property, the authority would need to come from the State; Water can't require anything on private property, only incentivize.

Green (DRAC) said that if there was a way to require sub-meters for buildings with more than 10 units, multiple benefits would be realized, and that taking a solution that affects only a small portion of tenants may not be the best option. Santner (Water) noted that the Community Alliance of Tenants reported that they receive calls regularly from tenants concerned about third-party billing from submeters.

Huntley (DRAC) asked about sub-metering earlier and was told that it's a State plumbing code issue. Delsman (DRAC) asked if Huntley's ADU customers would want to take advantage of separate metering; Huntley (DRAC) said clients would prefer utility autonomy, and felt this proposal would be well-received. In some cases it would cost more money, but not a significant amount.

Jones (DRAC) asked if there are other policy directives, if the goal is to give low-income families assistance with water bills. Santner (Water) said they've been trying to figure out how to reach multifamily tenants for over 15 years. The Water Bureau has developed a partnership with Home Forward (see <https://www.portlandoregon.gov/water/article/689542>) to develop assistance for people who don't directly receive a water bill, and is exploring other partnership opportunities. This isn't a perfect solution, but Water doesn't want to see new housing developed that prevents them from connecting directly with customers. Separate metering would be mandatory for detached ADUs, but optional for attached ADUs due to the additional complexity of attached development.

Huntley (DRAC) said that not requiring separate metering for attached ADU development may not serve Water's goal. Huntley (DRAC) asked whether separate metering would be required for a new attached triplex; Mick (Water) said they will need to look at the wording to see how it would apply. Green (DRAC) suggested that separate metering be required for any new dwelling units (attached or detached), except for those created through a remodel.

Michael Harrison (DRAC) said that Oregon Health & Science University (OHSU) uses a district energy approach for multiple buildings, to reduce their energy footprint, and asked if there is anything in the proposal that would make that difficult. Harrison (DRAC) specifically asked if the proposal would prevent using a single meter for a steam plant sending steam across the right-of-way to multiple buildings. Santner (Water) said the proposal includes an opportunity to waive requirements based on individual project needs/parameters.

Mick (Water) said more information will be shared with the City Council in the October 27 presentation, and the proposal is still very much in development. Delsman (DRAC) thanked them for bringing the proposal to the DRAC so early in the development process.

### **Streets 2035 Update**

Mathew Berkow (PBOT) shared a presentation overview of [Streets 2035](#) and gave an update on the project.

Williamson (DRAC) thanked PBOT for taking the project on and said it will have a huge impact. Williamson (DRAC) asked about conversations with Urban Forestry regarding the project and noted an apparent recent shift in requirements regarding tree preservation/addition and utilities. Berkow (PBOT) said they are working closely with Urban Forestry and want to clarify situations where tree preservation takes priority over other uses.

Delsman (DRAC) asked if PBOT is having discussions with private utilities; Berkow (PBOT) said they have had conversations with Portland General Electric to get their perspectives on transformer vault locations, and PBOT remains engaged with them.

Delsman (DRAC) asked how decisions will be made between competing priorities in the right-of-way (ROW). Berkow (PBOT) said they're looking to develop criteria to help in making decisions. Krueger (PBOT) acknowledged that this is a difficult question; PBOT has jurisdiction over the ROW, but it won't work to operate that way. PBOT is taking this presentation to planning and development bureau directors and utility providers to advocate for a collaborative approach.

Berkow (PBOT) noted that public comment can be provided at <https://www.portland.gov/transportation/permitting/pbot-development-review-manual-creating-public-streets-and-connections>.

### **Industry Updates**

Delsman (DRAC) said that in the last two weeks they are seeing a bit of relief in the lumber market, with prices starting to come down. Delsman remains busy, although new projects are transitioning from private to public funding.

Jones (DRAC) said there is competition in the industrial market for land to build new logistics centers, as almost all the speculative industrial land is spoken for. Other markets aren't faring well. Companies are either postponing their return to the Central Business District or looking to get out.

Williamson (DRAC) said not a lot has changed; market-rate private development is still slower.

Green (DRAC) is seeing a lot of interest in single-family renovations and some new construction. Green helped organize a forum on tiny house development that took place yesterday.

Huntley (DRAC) is hesitant on projects because of the slowdown in permitting processes, and wondered if others are hesitating to pull permits or make revisions. This topic will be discussed at the November 19, 2020 DRAC meeting.

Carder (DRAC) has been hearing that required land use notices aren't being received consistently by the Neighborhood Coalitions. Tallant (BDS) asked Carder to send detailed information, and noted that there were some issues with the Office of Civic Life's website and contact information.

Alexander Boetzel (DRAC) said that single-family development is still going strong, and sustainability is a hot topic given the recent wildfires, including discussions of embodied carbon in building materials. Permitting delays remain an issue, but demand is still strong.

Harrison (DRAC) said that OHSU still anticipates starting their Marquam Hill expansion in 2021.

**The next DRAC meeting is scheduled for Thursday, November 19, 2020.**

Meeting notes prepared by Mark Feters (BDS).