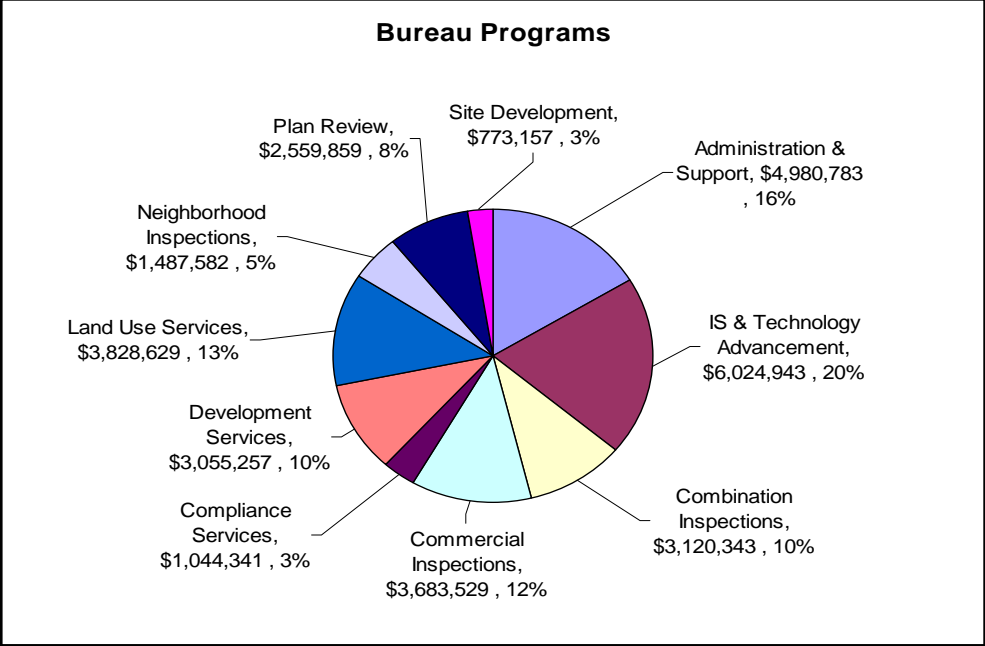
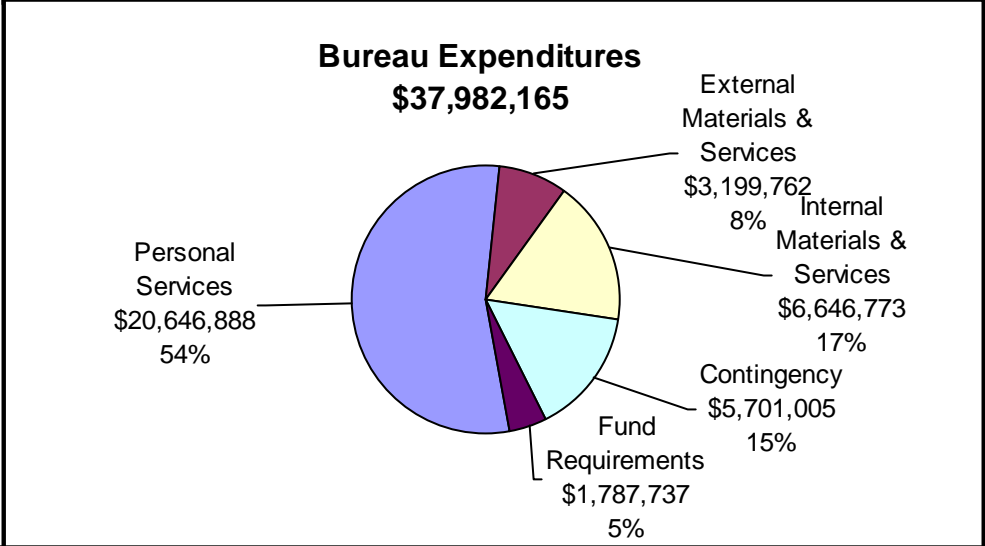
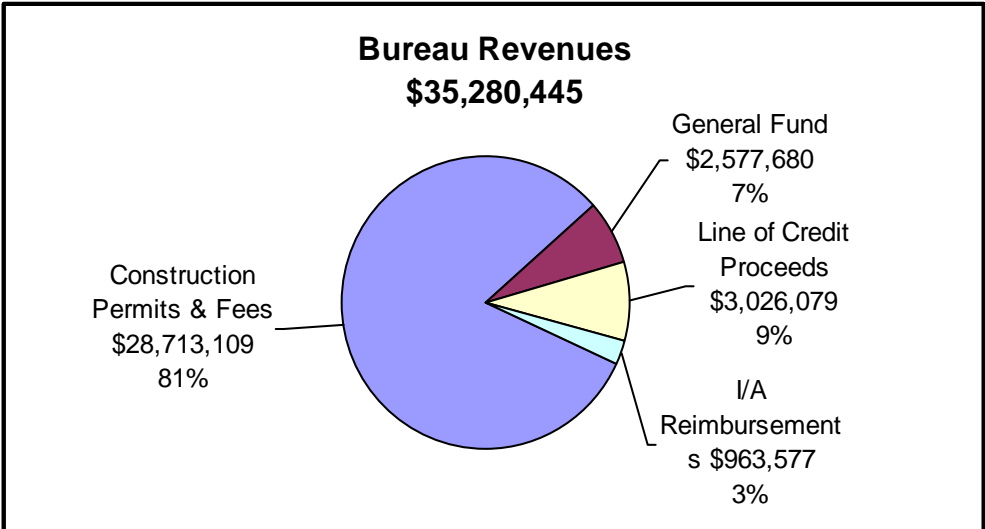


Bureau of Development Services
Council Budget Work Session
Tuesday, April 3, 2012
10:30 - 11:00 am



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Bureau Mission

The Bureau of Development Services (BDS) promotes safety, livability, and economic vitality through efficient and collaborative application of building and development codes.

Significant Issues

Since 2011, the Portland economy has been slowly recovering from the recession, and construction has been making a gradual comeback. As construction and development increase, the overall economy benefits through the added jobs and economic opportunities. To support this trend, it is imperative that BDS be equipped to respond to increased workload and increased complexity of projects. The bureau has identified three significant issues that will enable BDS to be an effective partner in facilitating development and improving neighborhood livability: (1) Financial stability, (2) Technology, and (3) Workforce Development.

Financial Stability

Staffing Levels: With revenues slowly improving in 2011, BDS began re-building its reserve and was able to hire back 12 staff in the first half of FY 2011-12 to help address some of the most critical customer and stakeholder service needs. However, service levels in many programs remain below optimal levels, hindering the bureau's ability to respond to increasing workloads projected for FY 2012-13 and beyond. Additional staff will be needed to match workload.

Cost Recovery: BDS has been striving to reach full cost recovery for many of its fee-supported construction programs and services. The bureau has implemented cost saving and efficiency measures, including improvements in program structure, processes, innovation, and best practices. In addition, the bureau has been implementing gradual fee increases in order to minimize the impact on customers and stakeholders, as well as charging for (or ceasing) some services that were previously provided free of charge.

General Fund Support for Services with Public Benefit: Bureau programs that provide general public benefit, including Land Use Services, Neighborhood Inspections, and Noise, continue to have funding constraints with the drop in General Fund support. It is critical that these programs receive sufficient General Fund support to ensure that key services can be provided to the community. A continued shortfall in General Fund monies and program revenues led to staff reductions in 2009 and 2010. Services in these programs were dramatically reduced, leading to significant impacts in neighborhood livability issues.

Funding for the Neighborhood Inspections Program has been a challenge for a number of years. In the mid 1990s, General Fund provided approximately 50% of the program's funding. By the late 2000's, this support had eroded to 25%. There is a direct public benefit from this program, enhancing the livability of Portland's neighborhoods and maintaining the City's housing stock. Therefore, the General Fund is an appropriate source of funding for these programs.

Staff strives to bring violators into compliance with City codes during the very early stages of complaints and investigations, and so fines and penalties are charged on very few cases. The City enforcement activities involve a high degree of education and relationship building and

ultimately protect and maintain the public welfare. The Bureau's enforcement policies are extremely effective and continue to achieve a 90% compliance rate. With fines and penalties only being assessed on non-compliant cases, adequate ongoing cost recovery is not realistic.

Land Use Services also receives General Fund support but continues to struggle with meeting State and City-imposed deadlines for land use applications and with providing supportive services to the community and neighborhoods. There is a significant public benefit to ensuring that land use reviews are done thoroughly and that the public has access and effective input into the land use review process. When the public is not aware of how to participate in the process, employees assist them in understanding to ensure that everyone has equal footing in controversial or impactful development projects. Fees do not cover these services; nor do they cover general inquiries prior to applicants beginning their development review process.

Lack of adequate General Fund support, increased complexity of regulations, mandated deadlines, and workload have all converged to precipitate the controversy over land use fees. The FY 12-13 OMF recommendation is that only 20% of Land Use Services' costs be covered by the General Fund, which will only further perpetuate the concern over the costs of service.

The Noise Program is pivotal in ensuring neighborhood livability by helping control the level of noise to promote the use, value and enjoyment of one's property and the urban environment. Noise staff help resolve citizens' noise concerns and assist with noise variance applications. General Fund covers 63% of costs.

Technology

The bureau is continuing its progress toward implementing the Information Technology Advancement Project (ITAP), which will greatly enhance the level of automation in development review and improve public access to information. Customers and stakeholders will be able to perform much of their land use review, permitting, inspection, and research work online, including submitting applications, retrieving inspection results in real-time, and being notified of issued checksheets electronically. BDS will gain significant efficiency as it reduces its reliance on paper plans and records. ITAP "go live" is planned for the end of 2014.

Workforce Development

Approximately 48% of BDS employees will be eligible to retire within the next 5 years; 26% can retire now. In order to prepare effectively for the future, BDS will focus attention in FY 2012-13 and beyond on developing future leaders; planning for succession to management, leadership, and technical positions; upgrading the skills of current employees; and re-affirming the bureau's commitment to diversity and equity. The bureau will be working with the Bureau of Human Resources to implement a Leadership Training program at BDS to focus on enhancing and cultivating employees' leadership skills for advancement to management or lead positions. The bureau will also continue to concentrate its recruitment outreach to underserved populations and strive to augment its equity position.

Impact of Budget Cuts

BDS carefully reviewed its service levels and made cuts to minimize impact to services and customers. When BDS cut 50% of its workforce in 2009, the bureau made significant changes in its organization, program structure, processes, innovation, and best practices. These additional cuts are being accommodated by those structures and previous changes which positioned BDS for the upcoming reduced volume of work and revenue. The bureau is investing

in technology through ITAP to ensure that bureau programs continue to be efficient and effective and that the public has better access to relevant information.

Cuts were taken among all three General Fund programs so as not to impact one program more than others. In the case of Land Use Review, employees have volunteered to reduce schedules in order to minimize the impact to the programs. In addition, LUS will reduce printing and mailing costs by forgoing the additional information that we currently provide in land use notices. Finally LUS staff will work with Bureau of Planning and Sustainability on several long-range projects to streamline the planning process and improve project implementation.

The bureau is devoted to improving livability and economic vitality through its General Funded programs; resources will be focused on the highest priority fire/life safety calls for enforcement.

Equity

BDS has had and will continue to have a strong equity component to its programs. Equity is not seen as a separate program, but rather as a foundation of all BDS programs. The bureau does not decide whom to serve; customers request permit applications, inspections, and land use reviews when they are building or developing. Other services, such as housing and nuisance enforcement, generally come in on a complaint basis. The bureau will continue to be cognizant of the impact of its work on underserved populations.

With the financial support of the Police Bureau, Fire Bureau, and renter advocacy groups, BDS will continue to coordinate and manage free landlord training for rental property owners. The program teaches rental owners how to keep illegal activity out of rentals, maintain properties in compliance with City regulations, and partner with City services/programs to provide habitable housing. The program thus helps ensure that renters are not living in substandard conditions.

The bureau also provides "hands on" training and valuable information to property owners and tenants through Fix It Fairs, neighborhood association meetings, and other outreach.

In order to maximize effectiveness with reduced resources, many enforcement programs will continue to rely on citizen complainants. Innovative enforcement programs, such as the use of citizen complaint logs for noise disturbances and the tall grass and weed pilot project, have been effective. However, not all segments of the population can use the technology or complete the detailed record-keeping which are required to utilize the enforcement tools to resolve the violation. Segments of population (elderly, low-income) with limited access to technology (internet, digital cameras, etc) may become underserved due to fewer inspectors.

The Neighborhood Inspections Program impacts housing and living conditions for the City's low income, under represented, and most vulnerable populations. It provides a complaint-based program for renters to request relief from substandard living conditions, such as fire dangers, mold, rodents, and bedbugs, which often develop when landlords neglect basic upkeep and maintenance. The enhanced rental inspection program in outer SE Portland serves tenants, especially from a vulnerable population, that might be hesitant to seek relief from substandard housing conditions due to fear of retaliation by eviction.

BDS employees have many opportunities for training in customer service and communication skills, especially in cultural sensitivity. In addition, BDS has had an innovative approach to its recruitment and selection process, and we recently we have been able to make use of this approach again as we have begun recruiting to fill positions. This approach helped bring the bureau's percentage of minority employees to 16% in 2009; with layoffs and budget cuts, as of June 2011 it dropped to 14.5%. In 2009 the percentage of women was 44%; in 2011, 43%.