

Bureau of Development Services

CBO has posted the online, interactive version of the bureau's performance dashboard here:
<http://www.portlandoregon.gov/cbo/article/523279>

The following questions were asked during the bureau's budget work session. Responses are included in the attached packet.

Bureau of Development Services 3/30

1. Inventory of houses not up to code: Is it getting better or worse? Provide five years of data.
2. Additional request from Mayor's office regarding abandoned houses: How much Land Use (LU) fees increase would be needed to maintain reserves at target levels, if GF were shifted from LU to Neighborhood Inspections Program to fund the Extremely Distressed Properties Enforcement Program and Nuisance Abatement requests?
3. Provide history of fee schedule, increases in Land Use fees in the last five years.

Note: CBO is still working with BDS to clarify a few items related to questions 1 and 2 above.

Bureau of Development Services

Follow-up questions from budget work session on 3/30/15

1. Inventory of houses not up to code: Is it getting better or worse? Please provide 5 years of data.

Unfortunately BDS does not track the inventory of substandard housing. BDS contacted Portland Housing Bureau for information. According to PHB (Pietka, Antoinette):

“Usually substandard is defined to include cost burden, overcrowding, and poor housing quality.

1. Cost burden – households pay more than half of household income for housing
2. Overcrowding – the number of people living in the house is greater than the total number of rooms in the house
3. Physical inadequacy – severe physical deficiencies such as having no hot water, no electricity, no toilet, or neither bathtub or shower

Using this definition there are 20,880 owner households and 35,665 renter households living in substandard housing in Portland.*

*2007-2011 HUD CHAS data”

2. KPMs in general: is BDS comparing its performance with best practice or something else?
3. CBO questions:
 - a. Percent of Commercial Permit – New Construction – First review done within 20 days of application intake.
 - b. Percent of Type II Land Use Reviews – Application of completeness review done within 14 days of application intake.
 - c. Are the above two KPMs state mandated? If so and we are not meeting them, what are the consequences?

Answers to 2 and 3

ORS 455.467 provides timelines for different sized jurisdictions (those greater or smaller than 300,000 residents) for approval or disapproval of specialty code building plans. There is allowance for some variation from defined timelines of 10 days and 15 days for review of plans for “complex” structures. It also state that a jurisdiction can submit a plan review schedule that reflects timelines specific for that municipality to the Director of the Department of Consumer and Business Services for authorization. BDS, as the lead agency

for our consolidated review process, has developed and submitted such a schedule, reflecting our review goals are as stated in our BCD approved operating plan.

Our approved Operating Plan provides for 20 days to achieve first reviews of complex structure proposals which allows our full complement of reviewers time to complete their work. We have anticipated that our meeting that time frame at least 75% of the time in FY2015-16. BDS anticipates this is a continuation of an upswing in performance as all agencies are being encouraged to bring up staffing levels to support the workload that has increased dramatically over the past 2 years.

Comparisons with other jurisdictions are challenging as few offer the same consolidated review process, or require multiple meetings prior to permit application submittal. The City of Eugene Oregon has a goal of reviewing 80% of their New Commercial Buildings within 67 days. Seattle has a process for new homes that includes a preliminary submittal, an 8 week period for the applicants design to be completed, a multi-week wait for an intake appointment, and then 2 weeks to complete the first review.

BDS has a goal for new single family residential projects similar to what is defined in ORS 455.467, which states that reviews for low-rise residential buildings should be Approved or Disapproved within 15 days. We propose to meet that time frame for 85% of the submittals.

Regarding the Type II Land Use Review – 14-day timeline for the completeness review. This is regulated by both State Law (ORS 227.178) and by Title 33 (33.730.060.A.2.a.) State law says this must be done within 30 days, and Title 33 says it must be done even faster within 14 days. If we don't meet the code-mandated deadline or state law-mandated deadline, the applicant can appeal the case on a "procedural error". So we run legal risk at not meeting these deadlines, in addition to it being poor service.

Bureau of Development Services
CBO Questions – Request #3

I'm working on a what-if scenario involving the Land Use Services and I need your help to do some costing and fee change update. If we were to transfer \$210,244 (EDPEP & Nuisance Abatement) in GF from LUS to NIT, ongoing starting in FY 2015-16, then:

1. How much LUS fee increase would it take to maintain the same reserve balance as you currently have in the 5-year financial plan? For consistency, please use the same assumptions as in the table on page 51, Appendix C.

The fee increase would be approximately 5%. However, my assumptions were since CBO is recommending shifting \$210,244 from LUS GF to NIT, it is logical to assume that LUS will not get additional GF requested for 2 Planner Positions (another \$200,000 will need to be covered by fee revenues). If I take both assumptions into account then to arrive at the same reserve goal as in Appendix C, approximately 5% fee increase is necessary.

2. The Land Use program is funded by both the Land Use fees and Development Services fees. In FY 2014-15, of the total annual cost in Land Use program, what is the percentage of that is supported by Land Use fees as opposed to Development Service fees? (for example: is it 70% Land Use fees and 30% Development Service fees?). Please use Appendix C for consistency.

Development Services Fee share is approximately 22.5% of LUS revenues, GF – 9.5%, Land Use Fees – 68%. Please note that this is projected data for FY 2015-16, and GF is not reduced by \$210,244.

3. I assume that the 5% fee increase mentioned below is spread to both Land Use and Development Services fees using the same percentages as mentioned in question 1 above. Is this correct?

Yes, fee increases all across the board

4. Using the information in Appendix C, for FY 2015-16, how much revenue would be collected in Land Use program by raising fee by 1% (spread to both Land Use and Development Services fees)?

1% fee increases would generate approximately \$86,000

5. And finally, please send me the spreadsheets and assumptions used in the computation of the 1% fee increase mentioned above.

I had to run BDS financial model several times to accommodate your request which consists of 5 excel files. All assumptions behind the model are in BDS 5-year Financial Plan. If you need to verify my data, please schedule a meeting and I will gladly show you how I arrived at my estimates.

2. How do our LUS fees compare to other jurisdictions? Are our fees comparable to, higher, or lower than the neighboring cities? We only need to compare a few common types of LUS fees. Please list the cities/jurisdictions used in the comparison.

When using the table below please take into account that

- Every City has different regulations and names for reviews and different procedures, so it is difficult to compare apples to apples with this kind of quick fee comparison. When each City's regulations are so different, therefore their costs are different for what sounds like the same review. For example, the land division regulations and procedures in each City are different, so the time involved in administering them is different, so the costs are different. It is always apples to oranges because our codes are so different.
- Most other cities get substantial subsidy from their GF or fully funded by the GF.
- The Portland Zoning Code is particularly complex. No other city has a code as large and complicated. It's 13 lbs. It's difficult and time-consuming to administer given the many layers of regulations.
- The City of Portland has a very active and sophisticated set of Neighborhood Associations, who are very involved in Land Use Reviews. Their involvement is good, but it adds time, and time adds costs.
- Please also note that other jurisdictions do not have Development Services Fee that contributes more than 20% to Land Use Revenues.
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Comparison of Land Use Fees

4-3-15

Application Type	Portland LUS Fee only	Portland Total (including IA Partners)	Gresham	Beaverton	Tigard	Salem
3-lot Land Division	\$3,700	\$5,732	\$8,165	\$3,440	\$4,634	\$3,467.50
3-lot Final Plat	\$2,400	\$4,032	\$1,421	\$897	\$1,076	?
Property Line Adjustment	\$630- \$735	\$1,160 - \$1,806	\$1,780	\$465	\$701	\$367.50
Planned Development	\$4,515	\$10,714	\$10,631	?	\$9,068	\$5,802.50
Pre-application Conference	\$1,785	\$4,289	\$1,509	\$245	\$701	\$419.50
Expansion of a non-conforming use	\$4,620	\$6,267	\$1,333	?	?	\$2,532.50
Variance/Adjustment/Modification of regulations	\$900 - \$1,800	\$1,003 - \$2,587	\$1,463	\$700 - \$2,153	\$751	\$471.50 - \$2,528.50
New Conditional Use Review	\$10,500	\$16,323	?	\$2,922	\$6,404	\$2,532.50
Zone Change	\$5,880	\$13,092	\$11,516	\$3,057	\$4,046	\$4,534.50

Note: City of Portland appears to be the only City that includes infrastructure bureaus in the review of the above applications. We do this to get a consolidated review related to infrastructure service, early info on right-of-way dedications, etc. to avoid surprises later, and offer a more holistic review and service. The infrastructure bureaus participating in the land use review process (primarily BES, Water and PBOT) charge a fee for their review and comment on these applications.

Comparison of Fees

Planner Review of Building Permit Plan Submittal

Application Type	Portland LUS Fee only	Tualatin	Gresham	Beaverton	Tigard	Salem	Washington County
Residential Building Permit - New Construction	\$2.12 per \$1,000 project valuation	0 (this function is entirely funded by the General Fund)	<ul style="list-style-type: none"> Reviews for lots in environmental overlay districts – planner needs to review the plans - \$60. Reviews for lots in the Pleasant Valley Plan District area – planner needs to review the plans - \$60. Reviews for lots not included in a subdivision or partition – planner needs to review the plans - \$183. Reviews for lots in a subdivision or partition – no extra standards – planner does not need to review the plans - \$60. 	?	\$86	?	0
Commercial Building Permit - New Construction	\$2.12 per \$1,000 project valuation	0 (this function is entirely funded by the General Fund)	<ul style="list-style-type: none"> In conjunction with prior land use permit – either \$359 (minor land use permits) or \$1775 Commercial tenant improvements or other permits not in conjunction with a prior land use permit and needing a planner’s review - \$0 (10 minutes or less review time) or \$359 	?	\$343	?	0
Re-Review	\$184	0 (this function is entirely funded by the General Fund)	0	?	0	?	0

Bureau of Development Services - 2015 FIVE-YEAR FINANCIAL PLAN

APPENDIX C

Program Detail

Program	Fiscal Year	TOTAL COSTS	Change From Prior Year	Program Revenue only	Change From Prior Year	General Fund Revenue	Internal Program Transfers	TOTAL REVENUES	Reserves Add/(Draw)	Program Cost Recovery	TOTAL Cost Recovery	Cumulative Reserve	Fac/Revenue Increase	Actual Reserve %	Reserve Goals: %	Dollars	Excess / (shortage) vs. goal	
Land Use Services	FY 91-92																	
	FY 92-93																	
	FY 93-94																	
	FY 94-95																	
	FY 95-96																	
	FY 96-97																	
	FY 97-98																	
	FY 98-99																	
	FY 99-00		4,237,785	16.0%	7,129,961	12.0%	2,034,078	0	4,575,990	338,205	60%	109%	338,205	various	8%	20%	847,557	(509,352)
	FY 00-01		5,360,475	26.6%	3,394,830	33.2%	2,326,005	0	5,710,335	350,360	63%	107%	688,565	1.3%	13%	20%	1,072,055	(383,530)
	FY 01-02		5,744,438	7.2%	3,291,398	-2.8%	2,181,459	0	5,452,857	(281,581)	57%	95%	396,984	0%	7%	20%	1,148,888	(751,904)
	FY 02-03		6,288,885	9.5%	3,578,681	8.7%	1,917,012	0	5,495,693	(793,192)	57%	87%	57,792	8%	1%	20%	1,267,777	(1,199,985)
	FY 03-04		6,201,797	-1.4%	3,689,159	3.1%	1,143,072	579,848	5,412,079	(789,718)	59%	87%	(144,312)	0%	-2%	20%	1,240,359	(1,384,671)
	FY 04-05		6,461,572	4.2%	4,518,808	22.6%	1,163,361	579,848	6,252,017	(209,559)	70%	97%	(553,867)	12%	-5%	20%	1,292,314	(1,646,181)
	FY 05-06		7,108,749	10.0%	6,384,363	40.8%	1,097,443	579,848	8,041,654	934,905	90%	113%	681,038	4.0%	8%	20%	1,421,350	(640,312)
	FY 06-07		8,246,373	16.0%	7,129,961	12.0%	1,304,383	579,848	9,014,192	767,819	86%	109%	1,348,857	5%	16%	20%	1,649,275	(300,418)
	FY 07-08		9,245,002	12.1%	7,459,772	4.8%	1,288,959	579,848	9,318,579	73,579	87%	107%	1,422,434	3.8%	15%	20%	1,849,000	(426,566)
	FY 08-09		9,873,210	6.8%	4,947,978	-33.8%	1,253,289	579,848	6,781,115	(3,092,035)	50%	69%	(1,669,661)	4.0%	-17%	20%	1,974,642	(3,644,303)
	FY 09-10		5,920,462	-40.0%	4,049,554	-18.2%	1,253,528	579,848	5,882,929	(37,533)	69%	98%	(1,707,194)	7.0%	-29%	20%	1,184,052	(2,891,286)
	FY 10-11		4,991,450	-15.7%	4,294,534	6.0%	1,240,566	579,848	6,115,048	1,123,538	86%	123%	(683,596)	8.0%	-12%	20%	998,290	(1,581,956)
FY 11-12		6,022,456	20.7%	6,066,909	41.1%	1,485,748	579,848	7,514,557	1,482,101	101%	128%	908,505	8.8%	15%	20%	1,204,461	(285,956)	
FY 12-13		6,506,472	8.0%	6,271,890	36.5%	1,067,688	0	9,339,578	2,832,108	127%	144%	3,741,611	5.0%	58%	20%	1,301,284	2,440,317	
FY 13-14		8,462,426	30.1%	9,693,609	17.2%	1,138,038	0	10,831,647	2,389,221	115%	128%	6,110,832	5.0%	72%	20%	1,692,485	4,418,347	
FY 14-15 estimate		9,907,289	17.1%	10,024,720	3.4%	1,258,937	0	11,283,657	1,376,368	114%	114%	7,487,200	0.0%	76%	20%	1,981,458	5,505,742	
FY 15-16 estimate		11,822,140	19.3%	10,387,668	3.6%	1,089,831	0	11,477,499	(344,240)	88%	97%	7,142,560	0.0%	60%	30%	3,546,642	3,695,978	
FY 16-17 estimate		11,569,215	-1.3%	10,699,660	3.0%	1,089,831	0	11,789,491	300,570	92%	101%	7,262,836	0.0%	62%	30%	3,500,764	3,282,012	
FY 17-18 estimate		12,086,739	3.6%	10,502,589	-1.8%	1,089,831	0	11,592,420	(484,318)	87%	96%	6,768,518	0.0%	56%	30%	3,626,022	3,142,496	
FY 18-19 estimate		12,988,900	2.8%	10,285,619	-2.1%	1,089,831	0	11,375,450	(1,023,459)	83%	92%	5,745,067	0.0%	48%	30%	3,719,670	2,025,388	
FY 19-20 estimate		12,953,969	4.5%	9,932,630	-3.4%	1,089,831	0	11,022,461	(1,931,509)	77%	85%	3,813,660	0.0%	29%	30%	3,886,191	(72,631)	
Neighborhood Inspections	FY 90-91																	
	FY 91-92																	
	FY 92-93																	
	FY 93-94																	
	FY 94-95																	
	FY 95-96																	
	FY 96-97																	
	FY 97-98																	
	FY 98-99																	
	FY 99-00																	
Neighborhood Inspections Program transferred to ONI in FY 2003-04	FY 00-01																	
	FY 01-02																	
	FY 02-03																	
	FY 03-04																	
	FY 04-05																	
	FY 05-06																	
	FY 06-07																	
	FY 07-08																	
	FY 08-09																	
	FY 09-10																	
The program came back to BDS in FY 2006-07	FY 06-07																	
	FY 07-08																	
	FY 08-09																	
	FY 09-10																	
	FY 10-11																	
	FY 11-12																	
	FY 12-13																	
	FY 13-14																	
	FY 14-15 estimate																	
	FY 15-16 estimate																	