



OFFICE OF  
COMMISSIONER  
CHLOE EUDALY

**To:** Mayor Ted Wheeler

**From:** Commissioner Chloe Eudaly *CDE*

**CC:** City Auditor Mary Hull Caballero  
Rebecca Esau, Director of Bureau of Development Services  
City Budget Office  
Development Directors  
Development Review Advisory Committee  
Interested Parties

**Subject:** Bureau of Development Services Issues

**Date:** September 5<sup>th</sup>, 2018

-----

Since assuming responsibility for the Bureau of Development Services (BDS) in January of 2017, my staff and I have taken a series of actions to improve service delivery and customer service at the bureau. Over the course of the last 19 months, I have gained great appreciation for the work that BDS staff does to make a difficult and at times dysfunctional system work. When I was assigned the bureau, the version of the permitting software that tracked over \$3 billion in development projects in 2017 was no longer supported by the vendor that created it.

BDS is now using a supported version of the permitting software and is on track to make major improvements in its approach to technology as well as many other areas. I'm writing to offer a snapshot of the work that has occurred during my tenure as Commissioner in Charge of the bureau and a summary of ongoing projects and opportunities for future improvements.

## **Accomplishments.**

Permitting System Improvements - One of my first official acts as the Commissioner with responsibility for BDS was to attend a Government Accountability Transparency and Results (GATR) presentation that was organized by the City Budget Office and focused on development review issues. The presentation highlighted specific pinch points in the review process, difficulties associated with having multiple bureaus engaged in the process and the impact that staffing levels have on development review timelines. In response, BDS convened the bureau directors of all the bureaus involved in the development review process to identify process improvements and resolve policy conflicts. BDS reinvented its hiring process to go from being one of the slowest bureaus to one of the fastest bureaus and has made significant progress in relieving pinch point pressure as documented by [an updated GATR presentation this spring](#). Despite limited resources and direction from myself and the Mayor to prioritize permitting for affordable housing and other important projects (Adidas expansion, Providence Park, school projects, and others), BDS staff processed an historic amount of permits in 2017 while maintaining or improving service delivery.

## **Re-organization.**

Since I appointed her to be the interim Director of BDS, April 17, 2017, BDS Director Rebecca Esau has launched an ambitious effort to re-organize the bureau to address a span of control issues as well as to identify and correct gaps in services, particularly for historically underserved members of the community. Rebecca and I worked closely with Dora Perry, the bureau's equity manager, and union leaders to improve morale and address systemic human resource problems at BDS. New service delivery initiatives include:

- A communications team to help customers navigate the permitting process
- A small business & arts team to help small business owners and arts organizations
- A permitting solutions team to help people with outstanding liens and/or code violations on their property
- A cannabis facilities team to help cannabis entrepreneurs

## **Hazardous Materials and Accessory Dwelling Unit (ADU) System Development Charges (SDC) Policies.**

The rapid appreciation of real estate values in our city has caused a wave of demolitions of existing homes. Unfortunately, while remodelers have to comply with strict containment and clean up requirements when working around hazardous materials (primarily lead and asbestos), demolition contractors had much less effective regulations for protecting the public from hazardous materials. Senator Michael Dembrow and Representative Alissa Keny-Guyer passed legislation enabling local governments to enact better hazardous

materials policies, SB 871, during the 2017 legislative session. I worked with the construction industry, neighborhood leaders and public health officials to adopt new regulations shortly after the new state law was signed by Governor Kate Brown. This summer, I led the effort to permanently exempt ADUs from SDCs, but to limit the exemption to ADUs that will not be listed on short term rental platforms. This was the first in a series of policy actions that I will bring forward to support the development of ADUs, as part of the City's efforts to address the current housing crisis.

### **Ongoing Projects.**

Portland Online Permitting System (POPS) – As I noted at the beginning of this memo, BDS is in the middle of implementing a new permitting software system with assistance from the Bureau of Technology Services (BTS). The most important and promising aspect of the new system is the portion of the project that will transition the review of permits from paper to digital plan review. This change will allow people to submit plans remotely and make corrections to them electronically from their home or office, without having to travel downtown to the Permit Center. It will be a tremendous leap forward in efficiency for City reviewers from BDS and the five other bureaus involved in permit plan review. The first commercial building permit using the new ePlan system is underway and the bureau will be rolling it out for more types of projects over the next 18 months until ALL projects can be processed online. Please check out [this great video about the project](#).

Liens – BDS has over \$20 million in outstanding liens for building code violations. An analysis of properties that have had liens assessed against them revealed that over 65% of outstanding liens are in neighborhoods that meet the Housing Bureau's definition of rapidly appreciating neighborhoods. Auditor Caballero's staff will be doing further analysis of liens in the coming months. Ideally, that analysis will help inform the development of a new approach to code enforcement that enables the City to assist people that are struggling to comply with building codes while moving more quickly and effectively to compel owners whose neglect of their properties causes problems for neighbors and whole neighborhoods to correct problems.

Tenant Protections – BDS is working on a number of projects that contribute to the city's focus on affordable housing and improved tenant protections. Bureau staff have begun the RFP process to renew the bureau's popular training for landlords. The goal is to shift the focus of the training away from viewing tenants as potential criminals and toward seeing tenants as partners in housing. I am excited about making sure this training is back up and running by Spring 2019. BDS is also ready to update building maintenance regulations in Title 29 of the City Code based on recommendations made by a task force and approved by council several years ago. These changes will ensure that tenants have access to livable units free from mold and pests. The Code changes have been drafted and after public review, I expect the changes will be ready to come to council by the end of this year.

Additionally, BDS is supportive of developing a mandatory inspections program for rental housing, and Portland Housing Bureau's current voluntary registration program of rentals is an essential first step in making that a reality.

Last, but definitely not least, I recommend that BDS leverage its proprietary data and its relationships with the development community to establish a leadership role on development issues by sharing its data and insights with the community. BDS could produce an annual summary of development activity, trends, and its forecast for future activity. The bureau could share this information via a City Club Friday Forum and/or events with local news organizations that focus on development. The absence of real, readily accessible data about development activity in Portland has led to a proliferation of baseless hypotheses about what is occurring. We shouldn't waste time arguing about facts: BDS can help our community identify and address real issues by doing a better job of sharing its data and insights.

I have the utmost confidence that Mayor Wheeler will continue to support the ongoing projects listed above and am ready to assist with moving them forward. I will stay engaged in helping improve the permitting process as the PBOT Commissioner and look forward to staying in touch with development review issues.

Thank you to the whole BDS family, the City Budget Office for helping me understand and make progress on development review timelines and the Bureau of Technology Services for its critical assistance with the POPS project.