



**Bureau of
Development
Services** FROM CONCEPT
TO CONSTRUCTION

REQUESTED BUDGET

FISCAL YEAR 2019-20

Submitted February 4, 2019





Office of Mayor Ted Wheeler
City of Portland

To: Commissioner Chloe Eudaly
Commissioner Nick Fish
Commissioner Amanda Fritz
Commissioner Jo Ann Hardesty
Auditor Mary Hull Caballero

From: Mayor Ted Wheeler

Date: January 30, 2019

Subject: FY 2019-20 Requested Budget for the Bureau of Development Services

I am pleased to present the Bureau of Development Services' (BDS) Requested Budget for fiscal year (FY) 2019-20.

This budget reflects a transition as BDS responds to a slowing in construction activity in Portland for the first time in several years. Land use applications have been decreasing since the beginning of 2018, and permit applications have begun to slow down in the last several months. BDS has responded prudently by reducing many non-mandatory expenditures, leaving vacant staff positions unfilled, and putting a freeze on most bureau hiring through the end of 2019. The bureau will also need to cut 11 staff positions from the Land Use Services Program.

Most bureau fees have not been raised in the last 5 years, despite increased costs in providing those services. BDS is currently reviewing its fee schedules and may need to make adjustments to fees in 2019 in order to maintain service quality and preserve needed financial reserves.

I have given BDS two Budget Directives for FY 2019-20:

1. BDS Land Use Services (\$1.2 million) – This directive provides one-time General Fund support for several important functions and services currently provided by the Land Use Services (LUS) Program for free. These services provide a general public benefit and charging fees for them would be impractical, so General Fund support is appropriate.

This directive is particularly important given LUS's financial situation. The program had to use its financial reserves throughout 2018, and BDS intends to cut 11 staff positions from the program in early 2019. Because LUS enforces local City Code, it cannot use funds from other bureau programs that enforce State building codes. This additional General Fund support will help with the program's cost recovery and will provide some stability for FY 2019-20.

Services funded by this Directive include:

- Reviewing code amendment projects for the Bureau of Planning and Sustainability;
- Working on process improvements with the Portland Online Permitting System (POPS) and BDS Sign Program;
- Improving the land use review customer experience by providing outreach and training to land use customers on preparing land use applications; and
- Providing public information regarding the land use and permitting processes, through printed materials, the BDS website, videos, and answering questions in the permit center.

2. City Development Review Strategic Plan (\$60,000) – Development review in Portland is complex, involving up to seven different City bureaus applying City, State, and federal regulations. Coordination of the development review process is made more challenging by the lack of a shared set of values and goals and a governance structure for setting development review priorities and making decisions. This directive requests one-time General Fund support for a strategic planning process to identify shared goals and a governance structure for the City's development review function. This will lead to better coordination between the seven bureaus and faster resolution of conflicts and differences, improving the City's development review function. I am excited about the potential of this Directive to provide a significant benefit to development customers, City staff, and the community for a very modest investment.

I am greatly encouraged that the Development Review Advisory Committee, BDS Budget Advisory Committee, and BDS Labor Management Committee have all expressed their support for BDS's Requested Budget. In crafting their budget, BDS sought and received input from these stakeholders as well as BDS employees. In addition, BDS's Financial Advisory Committee reviewed the bureau's financial modeling and revenue and expenditure projections and concurred that they are reasonable and sound.

I therefore urge your support for BDS's FY 2019-20 Requested Budget.



Mayor Ted Wheeler



Labor Management Committee

City of Portland Oregon - Bureau of Development Services
1900 SW Fourth Avenue, Suite 5000, Portland, Oregon 97201

January 30, 2019

Mayor Ted Wheeler
1221 SW Fourth Avenue
Portland, OR 97204

Re: Bureau of Development Services FY 2019-20 Requested Budget

Dear Mayor Wheeler,

As members of the Bureau of Development Services' (BDS) Labor Management Committee (LMC), we are writing to express our support for BDS's FY 2019-20 Requested Budget. The participation of the LMC in the budget development process is a critical element of the LMC's mission to promote a collaborative and positive relationship between labor and management through building trust, fairness, and open communication. We are encouraged that BDS employs an open, participatory budget development process, seeking input from BDS employees, Bureau Budget and Financial Advisory Committees, and the Development Review Advisory Committee (DRAC).

In addition to supporting BDS's overall budget request, we also endorse BDS's two Budget Directives. These Directives, developed with Mayor Wheeler's Office, request one-time General Fund monies to provide needed support to BDS's Land Use Services (LUS) program and improve the overall City development review process:

1. BDS Land Use Services (\$1.2 million) – This directive provides General Fund support for several important functions and services that BDS Land Use Services (LUS) currently provides for free. These services provide general public benefit, and recovering fees for them would be impractical. They include:
 - Improving the land use review process by providing outreach and training to land use customers on preparing land use applications; and
 - Providing public information regarding the land use and permitting processes, through printed materials, the BDS website, videos, and answering questions in the permit center.
 - Reviewing code amendment projects for the Bureau of Planning and Sustainability;
 - Working on process improvements with the Portland Online Permitting System (POPS) and BDS Sign Program;

This directive is all the more needed because of LUS's financial situation. A decrease in land use applications has led to significantly lower revenues and a reduced financial reserve for LUS. BDS has already put a hiring freeze in place and taken other cost saving measures, but will still need to cut staff positions from LUS in the near future. We urge the City Council to approve this Budget Directive to help stabilize LUS's funding.

2. City Development Review Strategic Plan (\$60,000) – This directive provides a small amount of General Fund monies to help all the City bureaus involved in development review improve their coordination and streamline the review process. Development review in Portland is complex, involving up to seven different City bureaus applying City, State, and federal regulations. This directive will fund a strategic planning process to identify shared goals and establish a governance structure for development review, resulting in better coordination between the bureaus, faster resolution of conflicts, and an improved development review process.

By approving BDS's FY 2019-20 Requested Budget, including its two Budget Directives, the City Council will help ensure that BDS can continue to provide timely, effective services to its customers and community.

Sincerely,



Priscilla Partch
 LMC Co-Chair



Rebecca Esau, BDS Director
 LMC Co-Chair

BDS Labor Management Committee Members

COPPEA / PTE 17	Priscilla Partch	COPPEA Representative, Permitting Services
	Lauren Russell	Union Member, LUS Title 33
	Lisa Buellesbach	Union Member, Engineering
	Elizabeth Duncan	Union Member, LUS Records Management
IBEW Local 48	Brian Crise	Union Steward, Commercial Inspections
U. A. Local Union No. 290	McKenzie James	Union Member, Commercial Inspections
AFSCME Local 189	Connie Jones	Union Steward, Plan Review
	Wes Bird	Union Member, Facility Permit Program
	John Duran	Chapter Treasurer, Finance
Non-Represented	Stephanie Yao-Long	Communications
	Hakim Callier	Equity & Policy
Management	Rebecca Esau	BDS Director
	David Kuhnhausen	Permitting Services Division Manager
	Kimberly Tallant	Land Use Services Division Manager
	Tim Morris	Residential Inspections Manager
	Dora Perry	Equity & Policy Development Manager
	Mike Liefeld	Enforcement Program Manager
	Elshad Hajiyev	Business Operations & Finance Services Division Manager
	Lisa Gill	Facility Permit Program Manager
	Brenda Fahey	Business Operations Supervisor, Internal Services
	Douglas Morgan	Plan Review Services Division Manager



City of
PORTLAND, OREGON
Development Review Advisory Committee



January 30, 2019

Portland City Council
1221 SW Fourth Avenue
Portland, OR 97204

Re: The Bureau of Development Services' FY 2019-20 Requested Budget

Dear Mayor Wheeler and City Commissioners,

As the members of the City's **Development Review Advisory Committee (DRAC)**, we are writing on behalf of the entire Committee to express our support for the Bureau of Development Services' (BDS's) Requested Budget for fiscal year (FY) 2018-19. DRAC members represent significant design, construction, and neighborhood stakeholders and associations with interest in the outcome of policies, budgets, regulations, and procedures that affect development review processes in the City of Portland.

The DRAC regularly reviews BDS's strategic direction, financial status, and priorities, and advises the bureau regarding annual budget decisions. We have also consistently communicated with BDS managers and staff regarding our priorities for the bureau and the development review process:

- Provide timely, quality services to all customers
- Continuously work with partner bureaus to streamline and improve development review processes
- Keep fees as low as possible while maintaining service levels and supporting program goals
- Secure sufficient ongoing General Fund support for local code programs that provide general public benefit

After reviewing and discussing BDS's financial status, programs and services, and priorities, we make the following recommendations regarding BDS's FY 2019-20 Requested Budget:

We support BDS's two Budget Directives.

BDS presented two budget directives that were developed with Mayor Wheeler's Office, as summarized below:

1. BDS Land Use Services Process Improvements, Customer Training, and Public Information, and work with BPS to review and edit proposed Code Amendments (\$1.2 million)

This directive requests one-time General Fund support for several important functions and services the Land Use Program currently provides at no cost. These services include:

- Reviewing code amendment projects for the Bureau of Planning and Sustainability;
- Working on process improvements with the Portland Online Permitting System (POPS) as well as other programs and services;
- Providing outreach and training to land use customers on preparing land use applications and permit applications that will comply with zoning code requirements, to help projects get through the review process faster; and
- Updating and improving public information regarding the land use and permitting processes to reflect new code requirements, through printed materials, the BDS website, videos, and answering questions in the permit center and the zoning hotline.

In most cases, BDS collects fees to recover the cost of services related to development review. However, we have long urged the City to provide General Fund support for services like these, since they provide general public benefit and cost recovery would be impractical.

2. City Development Review Strategic Plan (\$60,000)

As DRAC members and development review stakeholders, we support efforts to streamline and improve the City's development review processes. We have long been concerned with problems related to coordination between the multiple City bureaus involved in development review. This directive requests one-time General Fund support for a consultant to lead a strategic planning process to identify shared goals and create a governance structure for the development review function. This will lead to better coordination between bureaus and faster resolution of conflicts and differences, improving development review timelines and quality and benefitting the community.

We support BDS's plan to increase land use fees.

Over the last several months, development in Portland has begun to slow, resulting in increasing declines in BDS's revenue from permits and fees. Since these revenues make up almost all of BDS's income, the bureau has implemented cost saving measures, including a hiring freeze through the end of 2019. Revenue declines have particularly impacted the BDS Land Use Services (LUS) Program because their work is impacted first by changes in development activity. Their revenue decline has resulted in their need to dip significantly into program reserves to support ongoing expenses, even though they continue to implement measures to reduce expenditures.

At the January 2019 DRAC meeting, BDS shared plans to cut several staff positions from the LUS program and to increase land use fees to stabilize the program financially. While we usually advocate for development fees to be kept low, we support these proposed land use fee increases. We recognize that land use fees have not been raised in the last five years, and that BDS is taking significant steps to reduce program costs while maintaining services.

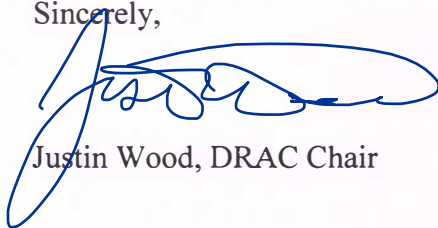
We also support BDS's plan to take the proposed fees to the City Council in February 2019 for implementation in the spring. Usually BDS submits fee change proposals in late spring for implementation in July, but in this case the dire financial needs of the Land Use Program justify earlier implementation of the increases.

We continue to advocate for sufficient ongoing General Fund monies to support BDS programs and services that provide public benefit.

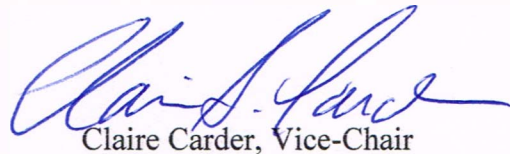
Over the last several years, the City has steadily reduced General Fund support for BDS programs that benefit the community, such as the BDS Enforcement Program and portions of the Land Use Services Program. Since these programs enforce local City Codes, they cannot be supported by permit revenues collected by BDS; rather, they are supported by their own limited fee revenues. These programs help preserve housing and strengthen neighborhoods, and General Fund support for their services is entirely appropriate.

The DRAC therefore respectfully requests that you approve BDS's FY 2019-20 Requested Budget, and that you address the other issues we have raised.

Sincerely,



Justin Wood, DRAC Chair



Claire Carder, Vice-Chair

Development Review Advisory Committee Members

Member	Representing	Affiliation
Jeff Bachrach	Planning & Sustainability Commission	Bachrach Law, P.C.
Alexander Boetzel	Environmental Conservation & Green Building	Green Hammer
Claire Carder	Neighborhood Coalition Land Use Committees	
Paul Delsman	Large Construction Contractors	Bremik Construction
Shea Flaherty Betin	Small Businesses	Portland Mercado
Michael Harrison	Major Facilities Landowners	OHSU
Holly Huntley	Frequent Development Review Customers	Environs LLC
Lauren Jones	Large Developers	Capstone Partners
Christopher Kopca	Historic Preservation	
Jennifer Marsicek	Design Professionals	Scott Edwards Arch.
Mitch Powell	Home Remodelers	The Powell Group
Sarah Radelet	Land Use Planning Professionals	Strata Land Use Planning
Martha Williamson	Public Works Permit Customers	Humber Design Group
Justin Wood	Home Builders	Fish Construction NW Inc.



**City of
PORTLAND, OREGON
Bureau of Development Services
Budget Advisory Committee**



FY 2019-20 Budget Advisory Committee Report

**Bureau of Development Services
January 31, 2019**

The Budget Advisory Committee (BAC) of the Bureau of Development Services (BDS) thanks Mayor Ted Wheeler and the City Council for the opportunity to work with BDS on the development of its FY 2019-20 Requested Budget. The BDS BAC is composed of representatives from the development industry, community organizations, the Development Review Advisory Committee, and BDS employees.

We met with BDS managers and staff monthly from November 2018 – January 2019 to discuss BDS's finances, staffing, workload, programs and services, and budget needs. We also reviewed budget guidance from the Mayor and projections for City and bureau revenues in the coming year.

The BAC supports the following policy and budget recommendations for FY 2019-20:

1. We support the cost-saving measures BDS is implementing in light of decreases in its workload and revenues.

Over 98% of BDS's revenues comes from permit fees and assessments, which results in the bureau's finances being very sensitive to changes in the development industry. BDS staff shared with us that over the past year, local construction activity has been slowing down, particularly commercial projects. This has significantly impacted the BDS Land Use Program and is beginning to affect plan review and permitting functions.

BDS began taking steps to reduce expenditures in Land Use in early 2018 and through the rest of the bureau in the fall, including a temporary hiring pause that has been extended through the end of 2019. BDS has also reduced its expenditures related to training, travel, facility projects, and other areas.

BDS also anticipates cutting approximately 15 positions in the Land Use Program in early 2019. While we do not want to see cuts in services or staff positions, we support these cost-saving measures as necessary to ensure that BDS can continue to provide services and maintain fiscal health. Economists on the BDS Financial Advisory Committee projected that declines in construction will continue, and it may take the economy a while to bounce back. We encourage BDS to continue to closely monitor its finances in the coming months and to take prudent steps to reduce costs as conditions warrant.

2. We support BDS's plan to review land use fees in spring 2019 and other fees in summer 2019; however, one member opposes any fee increases.

In light of BDS's financial standing, the need to maintain cost recovery, and the bureau's heavy reliance on fee revenues, we support BDS's plan to review all of its fees in 2019, particularly its land use fees.

Most BAC members support fee increases as needed to ensure overall cost recovery and provide high-quality services to customers and the community; however, BAC Member Susan Steward, representing the Building Owners & Managers Association (BOMA) opposed any fee increases when the economy is facing the possibility of a recession.

3. Most of us support BDS's two Budget Directives from Mayor Wheeler.

BDS shared two budget directives that were developed in coordination with Mayor Wheeler's office, as detailed below. Most of us support these directives because they address key cost recovery and service provision needs for BDS. BAC member Susan Steward (BOMA) supported the City Development Review Strategic Plan Directive, but was neutral on the BDS Land Use Services Directive.

BDS Land Use Services (\$1.2 million) – This directive requests one-time General Fund support for several important functions and services currently provided by the Land Use Program for free. General Fund support for these services is appropriate since they provide general public benefit, and charging and recovering fees for them would be impractical. These services include:

- Reviewing code amendment projects for the Bureau of Planning and Sustainability;
- Working on process improvements with the Portland Online Permitting System (POPS) and BDS Sign Program;
- Improving the land use review process by providing outreach and training to land use customers on preparing land use applications; and
- Providing public information regarding the land use and permitting processes, through printed materials, the BDS website, videos, and answering questions in the permit center.

City Development Review Strategic Plan (\$60,000) – Development review in Portland is complex, involving up to seven different City bureaus applying City, State, and federal regulations. Coordination of the development review process is made more challenging by the lack of a shared set of values and goals and a governance structure for setting development review priorities and making decisions. This directive requests one-time General Fund support for a strategic planning process to with the goal of providing shared goals and a governance structure for the City's development review function. This will lead to better coordination between the seven bureaus and faster resolution of conflicts and differences, improving the City's development review function.

Before expenditures are made for this budget item, we recommend that the bureaus involved clearly identify goals, future steps, and metrics for measuring whether the effort is successful.

4. We urge BDS to develop and implement measures to track performance toward equity goals.

At our second BAC meeting, we spent time discussing BDS's Equity Program and progress toward the goals contained in its Racial Equity Plan. One of the program's needs is for more and better tracking of data related to BDS's equity performance. We encourage the bureau to put equity performance metrics in place and to consistently track and report data so that progress toward equity goals can be accurately measured.

5. We support the implementation of the Portland Online Permitting System (POPS) and electronic plan review (ePlans).

We are encouraged that BDS's financial situation has not impacted the Portland Online Permitting System (POPS) Project. POPS will greatly improve customer and community access to information and services and will improve the delivery of development review services through the implementation of a web portal and electronic plan review. We urge BDS to continue with POPS development and implementation.

Thank you for the opportunity to provide our recommendations regarding BDS's FY 2019-20 Requested Budget.

BDS Budget Advisory Committee Members

Community / Development Industry Members

Coya Crespín, Community Alliance of Tenants
Paul Delsman, Development Review Advisory Committee
Holly Huntley, Development Review Advisory Committee
Susan Steward, Building Owners & Managers Association

BDS Employees

John Duran, Represented Staff (DCTU) / Business Operations & Finance Services
Priscilla Partch, Represented Staff (PTE 17) / LMC Co-Chair / Permitting Services
Brianne Pickett, Represented Staff (PTE 17) / BDS Equity Committee / Plan Review Services
Leigh Wheeler, Non-Represented Staff / Business Operations & Finance Services

REQUESTED BUDGET

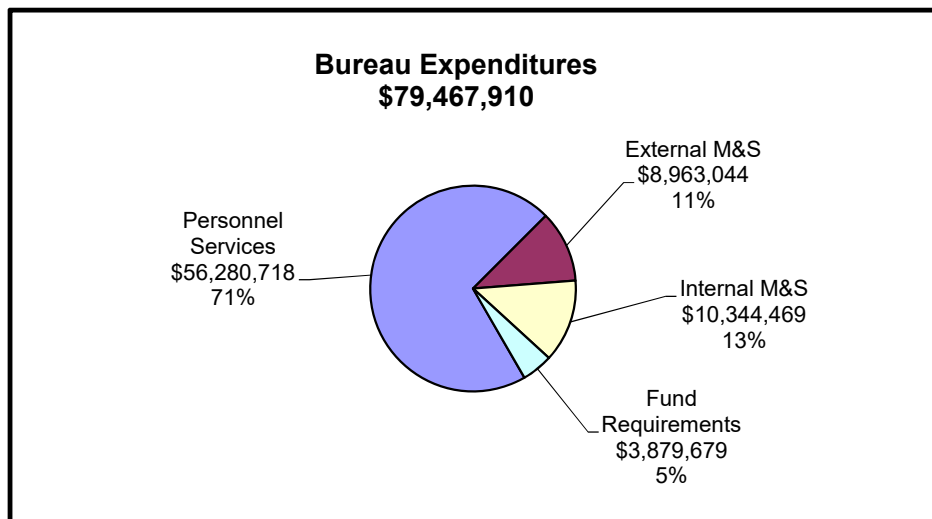
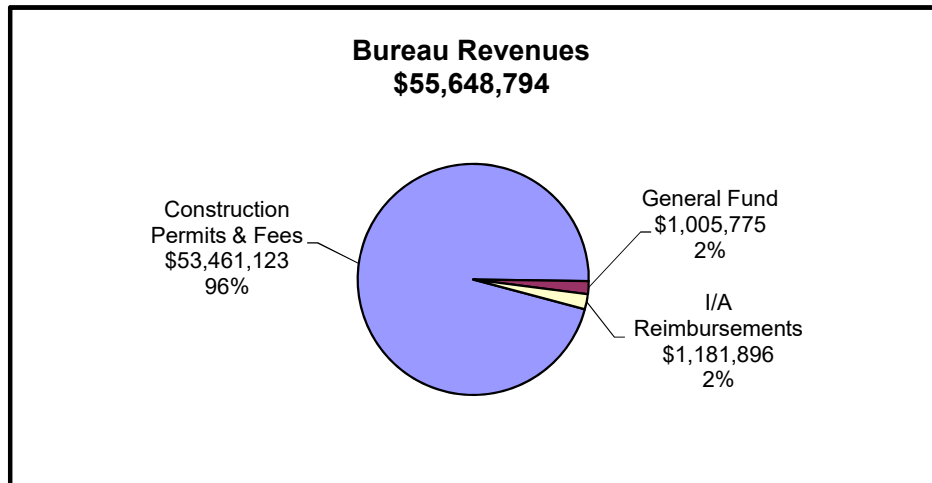
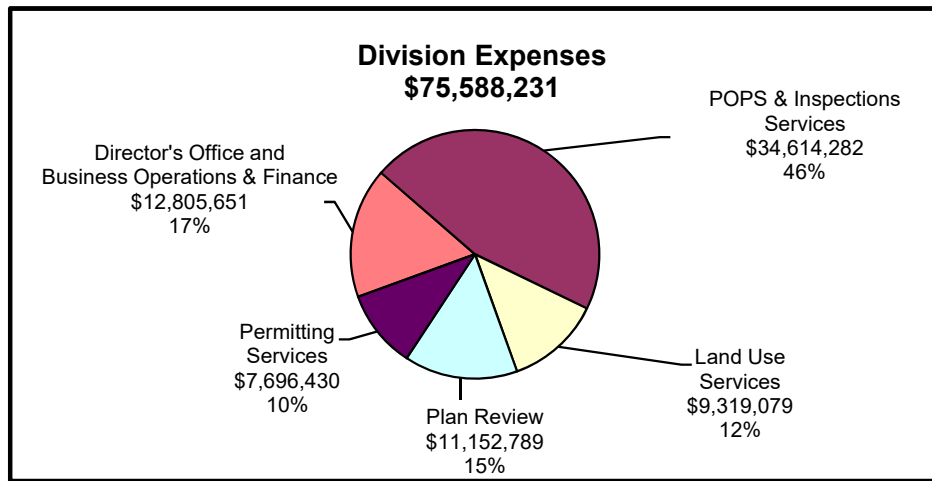
FISCAL YEAR 2019-20

Submitted February 4, 2019



Bureau of Development Services

FY 2019-20 Budget



Bureau of Development Services FY 2019-20 Budget

Community Development Service Area

Ted Wheeler, Commissioner-in-Charge

Rebecca Esau, Director

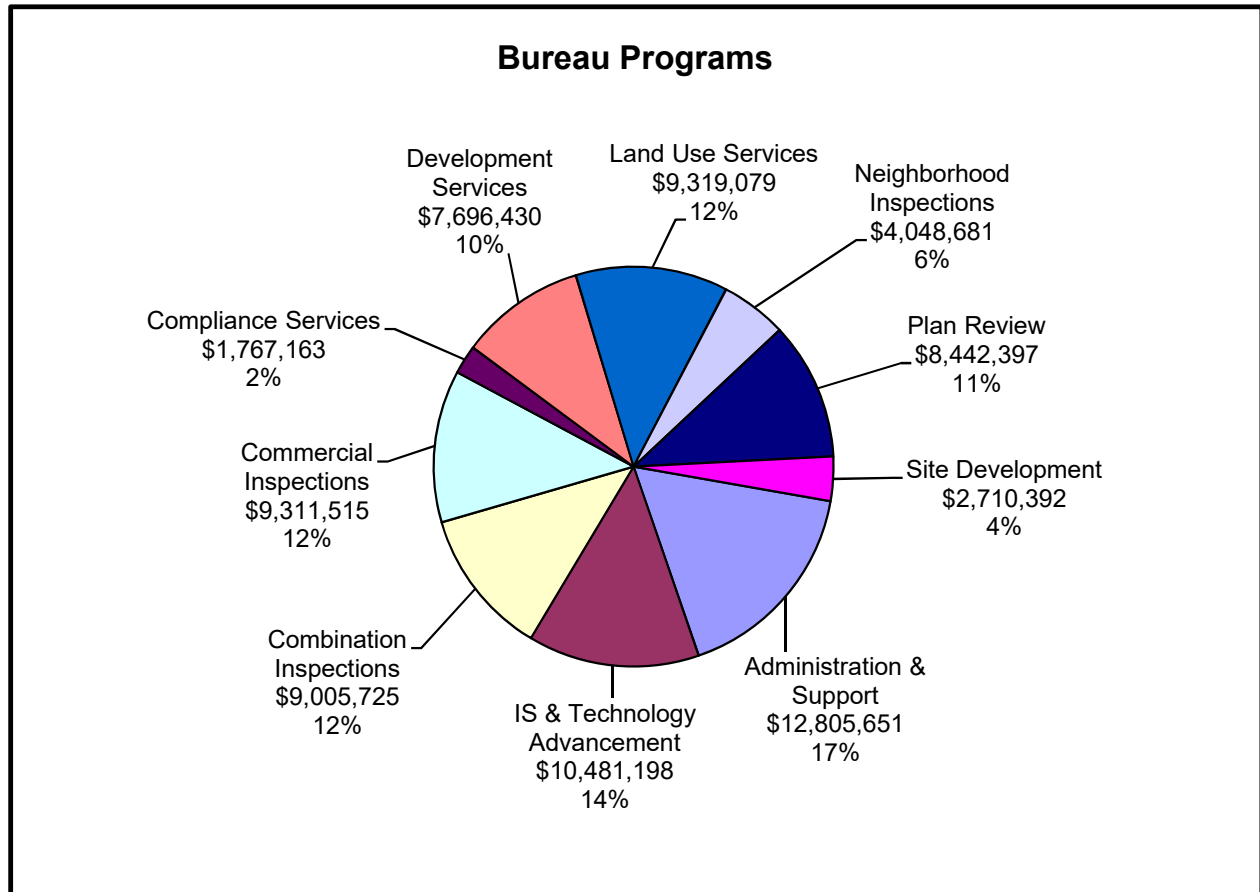
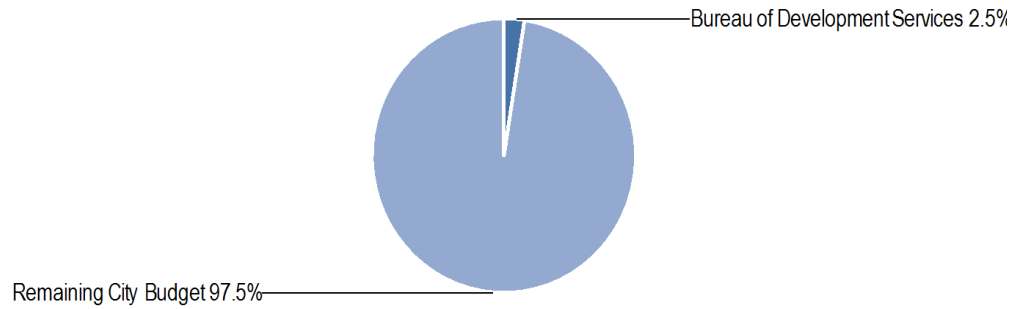


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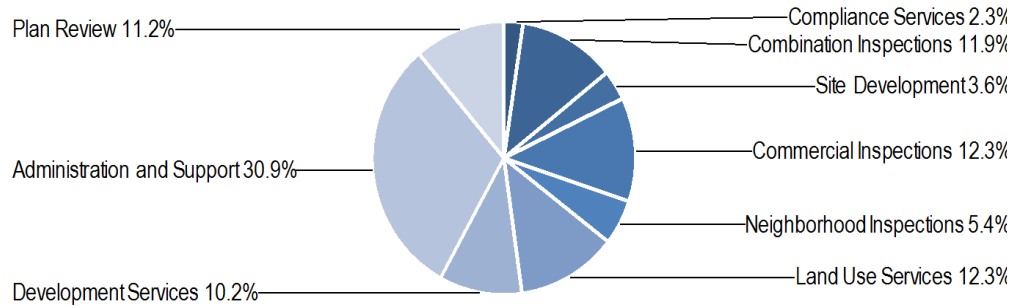
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Bureau of Development Services

Percent of City Budget



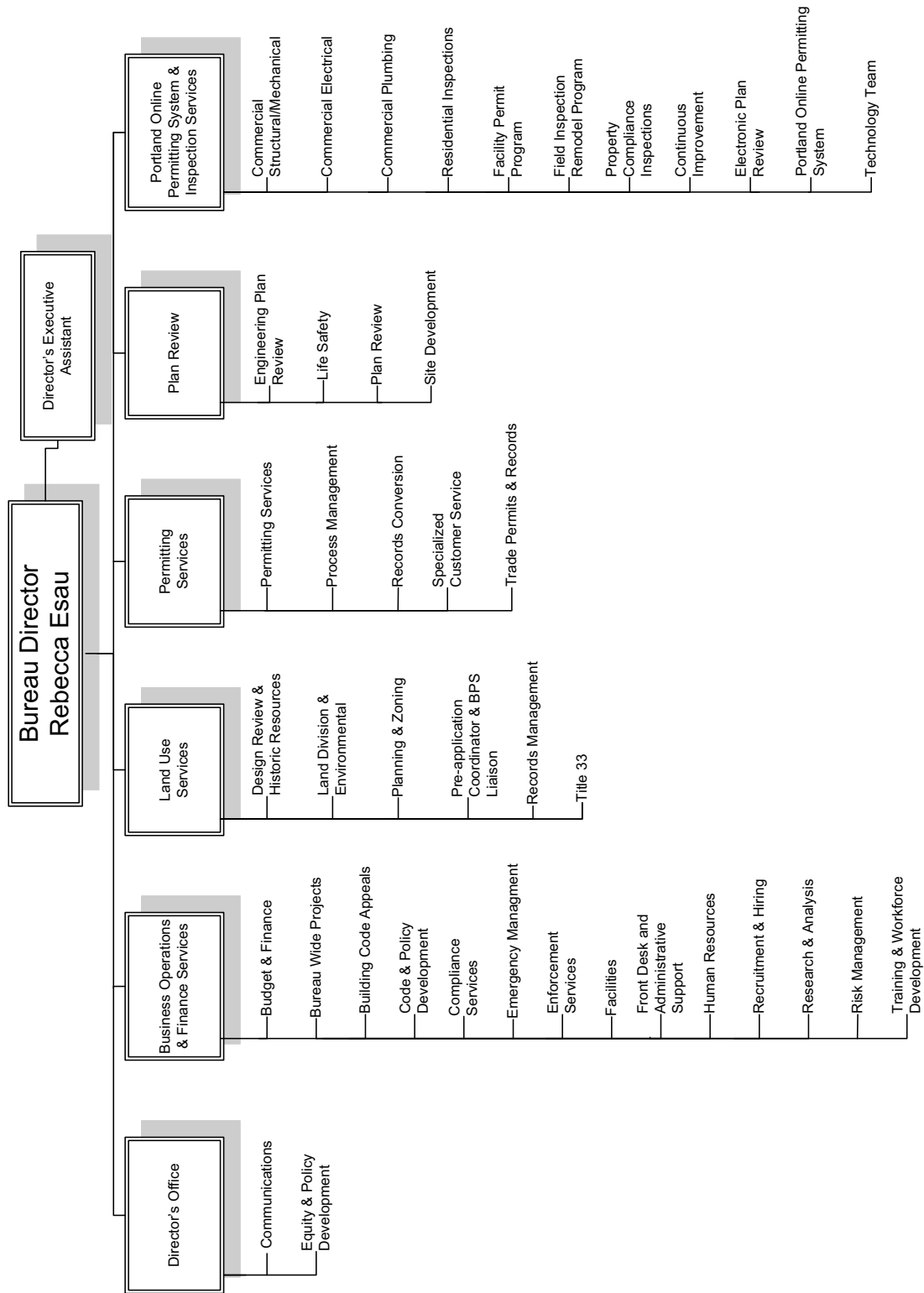
Bureau Programs



Bureau Overview

Requirements	Revised FY 2018-19	Requested FY 2019-20	Change from Prior Year	Percent Change
Operating	146,427,675	132,421,581	(14,006,094)	(9.57)
Capital	11,997,231	5,102,648	(6,894,583)	(57.47)
Total Requirements	158,424,906	137,524,229	(20,900,677)	(13.19)
Authorized Positions	451.70	445.70	(6.00)	(1.33)

Bureau of Development Services



Bureau Summary

Bureau Mission

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

Bureau Overview

General Description

BDS is an integral part of development in the City of Portland through administering and enforcing State building codes and local development codes. Bureau staff works collaboratively with developers, builders, homeowners, neighborhood associations, and the community to guide and facilitate the development review process. The bureau prides itself on providing assistance to customers from concept all the way through construction. BDS manages programs that ensure construction and land use codes are consistently followed, and is instrumental in enhancing the safety of buildings along with the livability and economic vitality of Portland's neighborhoods. To this end, staff reviews land use applications and construction plans, issues permits, and inspects industrial, commercial, and residential construction to ensure compliance.

In addition to administering electrical, plumbing, mechanical, structural and building codes, BDS is also responsible for implementing many of the City's locally-adopted policies and regulations, including:

- ◆ Zoning and land use;
- ◆ Tree preservation and planting in development situations;
- ◆ Site-related regulations, such as erosion control and grading;
- ◆ Sign regulations; and
- ◆ Property Maintenance Codes.

The bureau is also responsible for responding to code violations and working with customers to bring development into compliance with the codes.

This Requested Budget includes 445.7 FTE and an operating budget of \$75.6 million. Approximately 98% of the bureau's revenues comes from permit fees and assessments. The remaining 2% comes from the City's General Fund and supports portions of BDS's local City Code enforcement programs, such as Neighborhood Inspections.

Balancing Service Provision and Fiscal Responsibility

BDS's vision is to be the best development services agency in the country by:

- ◆ Partnering with the other City bureaus that provide these services (PBOT, BES, Water, Fire and Parks) to staff and deploy programs, technology, and systems that meet the time-sensitive needs of the development industry; and
- ◆ Addressing neighborhood and community members' concerns about the quality of development and access to development-related information and services.

This commitment to work with BDS's partner bureaus to provide excellent and relevant programs and services is met within the context of a commitment to operate in a fiscally responsible manner. The bureau seeks to balance several goals:

- ◆ Partnering with the other City bureaus that provide these services (PBOT, BES, Water, Fire, Parks, and PHB) to staff and deploy programs, technology, and systems that meet the time-sensitive needs of the development industry;
- ◆ Partnering with the development industry to collaboratively solve problems and better meet their needs; and
- ◆ Partnering with neighborhood and community members to address concerns about the quality of development in their neighborhoods and improve access to development-related information and services. Partnering with neighborhood and community members to address concerns about the quality of development in their neighborhoods and improve access to development-related information and services.

These commitments must be balanced with the commitment to operate in a fiscally responsible manner. In balancing service delivery with fiscal responsibility, it is essential to recognize that the construction industry is cyclical, fluctuating regularly between building booms and downturns. The bureau's primary source of funding comes from fee revenue, which fluctuates with these cycles. This necessitates the building of financial reserves to weather the periodic downturns; it also requires maintaining a significant portion of the workforce.

For many reasons, it is very inefficient to layoff large numbers of staff during downturns, then engage in massive recruitment, hiring, and training efforts when construction activity improves. It is difficult to find and attract experienced staff in the competitive job market during a construction boom. In addition, recruiting, hiring, and training staff takes an enormous investment in time, hindering the delivery of services when the workload has already spiked upward. BDS experienced this dynamic after the last massive layoffs in 2009, and it is critical that the bureau not be caught behind the curve again when the current slowdown ends.

This is not to say that the bureau seeks to keep its entire workforce through each downturn; this would require fees to be set at impractically high levels to build up the financial reserves necessary to support a large workforce. Some downsizing is necessary during a downturn, along with other reductions in expenditures. It is a balancing act between:

- ◆ Maintaining significant portions of the workforce to be able to deliver timely service, and utilizing staff to work on improvement projects during downturns;
- ◆ Setting fees as low as possible to make services affordable, so community members will seek the required permits, but sufficient to cover the costs of the services provided and maintain reserves to weather the cyclical downturns; and
- ◆ Using the financial reserves prudently during downturns.

In addition to maintaining service delivery (reviewing permit applications, performing inspections, etc.) it is critical that the bureau dedicate ongoing funding for making improvements, including:

- ◆ Utilizing technology to make services and processes efficient, convenient, user-friendly, and accessible;
- ◆ Anticipating and adapting programs, services and processes to meet changing needs; and
- ◆ Identifying and implementing process improvements to gain efficiency.

**Bureau Revenues,
Funding Sources, and
Reserves**

In FY 1988-89, the City Council established an operating fund for BDS and charged the bureau with fully supporting its State-mandated construction programs through permit fees and charges. State statutes regulate these programs and, in most circumstances, prohibit their revenues from being used for City Code enforcement programs. BDS works to maintain full cost recovery for many of its construction programs and services. To this end, the bureau implements gradual fee increases as needed (to minimize the impact on customers and community members). The bureau achieved full cost recovery for its state-mandated programs from FY 2011-12 through FY 2017-18, and has not raised most permit fees since FY 2013-14. In FY 2016-17 and FY 2017-18, BDS reduced building and site development permit fees in response to discussions with the development community, the bureau's sustained high cost recovery rate, and its healthy reserve balance.

However, in FY 2017-18 land use applications began to slow, and this has spread to permit applications in FY 2018-19. BDS has taken cost-saving measures, including a hiring freeze and reducing non-priority expenditures, and will be cutting several positions from the Land Use Services program in early 2019. The bureau is also reviewing its fee schedules and may adjust fees (particularly land use fees) in 2019 in order to stay close to cost recovery and maintain prudent reserves.

This requirement to be self-supporting, combined with the challenge of accurately predicting construction activity and fee revenues, makes it important for BDS to maintain sufficient reserves to ensure bureau services remain stable when revenues fall below expectations. Since the last recession, BDS strengthened its reserve goals and focused on rebuilding its reserves from FY 2010-11 through FY 2017-18. With the decrease in workload and revenues, reserve levels have dropped for some programs, and overall reserve levels have declined since FY 2017-18. BDS will continue to closely monitor reserve levels in FY 2019-20.

BDS's local City Code enforcement programs (Land Use Services, Neighborhood Inspections, Environmental Soils, Signs, Zoning Enforcement, and Site Development) are funded through a combination of program fees and fines, and do not receive support from BDS permit fee revenues. The Neighborhood Inspections Program also receives crucial support from the City's General Fund. BDS's Budget Advisory Committee and the Development Review Advisory Committee have consistently supported the ongoing use of General Fund monies to support the Neighborhood Inspections Program, in recognition of the benefits it delivers to the entire community.

State Statutes and Administrative Rules

The City of Portland has been regulating construction since the late 1800s, with local ordinances passed by the City Council as early as 1892. In 1973 the State legislature passed requirements for a State Building Code mandating uniform statewide enforcement, which required Portland to begin enforcing the State-adopted codes with State-certified personnel. BDS is also responsible for administering a variety of local regulations adopted within the City Code, including the Zoning Code under Title 33, Floating Structures (Title 28), Erosion Control (Title 10), Signs (Title 32), and Property Maintenance (Title 29).

Strategic Direction

Fiscal & Staffing Stability

Due to BDS's heavy reliance on fee revenues to fund bureau programs, the bureau tracks workload, revenue, and expenditure data closely. After several years of record high levels of construction in Portland, BDS began noting declines in land use review applications and revenues in early FY 2017-18, causing reserves for the Land Use Services (LUS) program to drop significantly. BDS instituted a hiring freeze in LUS in response. In the following months, permit applications and revenues began to gradually decline, and the hiring freeze was expanded to the rest of the bureau in November 2018. Hiring at BDS is currently paused through the end of 2019. Local economists on the BDS Financial Advisory Committee have indicated that the slowdown in construction activity will likely continue and that it may take some time for conditions to be favorable for developers again.

Given these financial realities, a key goal for BDS in 2019 will be to safeguard its financial health while maintaining staffing levels sufficient for the workload. The workload can be divided into reactive and proactive work:

- ◆ Reactive work involves BDS responding to customers' or community members' requests for service, such as reviewing applications for permits and land use reviews, performing inspections, or responding to inquiries and complaints.
- ◆ Proactive work is just as critical as reactive work, but doesn't bring in fee revenue; it can include process improvements, development of training materials and website content for customers, developing and testing new technology, and developing governance structures to improve the system for the six bureaus primarily involved in development review and permitting work.

BDS staffing levels need to be sufficient to handle both types of work. A downturn presents an excellent opportunity to use experienced staff to dedicate more time to proactive work; this work often gets put on the back burner during construction booms, when staffing capacity is stretched thin. Additionally, it's critical to maintain significant portions of the workforce so the bureau is positioned well to respond quickly to the next building cycle.

Much of the financial declines to this point are the result of fewer large commercial projects, which generate a significant portion of BDS revenues; thus, revenues are falling more precipitously than the ‘reactive’ workload. BDS’s proactive workload is at a very high level as the bureau is developing, testing, and training for the six projects that make up the current phase of the POPS Program. BDS is also taking on business process improvements and other important projects. It will be important for the bureau to balance revenues and expenditures and use financial reserves judiciously to support staffing levels appropriate to the workload. BDS will continue to closely monitor workload and revenue data throughout FY 2019-20. In addition to the hiring freeze, the bureau has reduced non-priority expenditure, will be reducing some staff positions in LUS in 2019, and is exploring other cost-saving measures.

BDS is currently reviewing its land use fee schedule and will be reviewing its other fee schedules in spring 2019, to determine if some fees may need to be increased in order to maintain cost recovery. BDS has not raised most of its fees for the past five years and reduced some fees in FY 2013-14 and FY 2016-17.

BDS Racial Equity Plan

To ensure equitable access and opportunities for all, BDS is committed to pursuing equity in its staffing, programs and services, and interactions with customers and the community. To this end, the bureau launched a 5-Year Racial Equity Plan in December 2016. The Plan applies an equity lens to bureau programs and services, focuses recruitment to produce a more diverse applicant pool, and employs extensive outreach to diverse communities. These efforts directly contribute to the City’s Comprehensive Plan goal to include under-served and under-represented populations in decisions that affect them, as well as equity goals in the Portland Plan.

Portland Online Permitting System (POPS) Implementation

The Portland Online Permitting System (POPS) is an initiative to move from the current paper-based permitting system to a web-based system that will provide online access to City permitting services and information. POPS includes six projects that are currently underway:

- ◆ Electronic plan review (PDX ePlans);
- ◆ An improved web portal for customers (Development Hub PDX);
- ◆ An upgrade to the current permitting database (AMANDA);
- ◆ Improved inspections scheduling;
- ◆ A mobile app for contractors and applicants; and
- ◆ A mobile app for City inspectors.

PDX ePlans has already been implemented for commercial projects that are assigned BDS process managers. Next, it will be rolled out for all other commercial permits for new construction. After that, additional phases will be implemented for other types of projects. By using mobile and web-based technologies, POPS will streamline the development review and permitting process, improve access for customers and the community, and move the City closer to meeting the goals outlined in the Portland Plan and the 2009 Climate Action Plan by eliminating an estimated 33,000 customer vehicle trips to downtown annually.

Bureau of Development Services

Land Use Services Program Funding

In light of reduced revenues for the Land Use Services (LUS) Program, Mayor Wheeler issued a Directive to Develop to BDS that requests a total of \$1.2 million in one-time General Fund resources. These funds are specifically targeted to LUS work that does not currently generate any direct fees for service, including:

- ◆ Review of Code Amendment projects for the Bureau of Planning & Sustainability (\$420,000);
- ◆ BDS Process Improvements (\$635,000);
- ◆ Customer Training (\$10,000); and
- ◆ Public Information (\$135,000).

If approved, this budget directive will provide much-needed funds and will allow LUS to continue to provide these important services.

Strategic PlanningDevelopment Review Coordination / Strategic Plan

The City's development review process is complex, involving seven different bureaus reviewing more than a dozen local, State, and Federal requirement. While BDS is responsible for the coordination and monitoring of the development review process, performance of the work is shared by the various bureaus. It has become apparent that the City lacks a shared set of values and goals for development review, as well as a governance structure for prioritization and decision-making.

To address this need, Mayor Wheeler has issued a Directive to Develop to BDS that requests \$60,000 in one-time General Fund resources to establish and implement a strategic plan for development review. If approved, this relatively modest expenditure will result in improved coordination between the bureaus involved in development review, as well as improved transparency and decision-making processes.

BDS Strategic Plan

In addition to the Development Review Strategic Plan, in 2019 BDS will complete and implement its own bureau strategic plan. Most of the development work for the strategic plan has already been completed, but production and implementation of the final plan has been delayed due to significant organizational changes over the last few years as the bureau rapidly grew to address historically high workload levels.

When implemented, the plan will provide a living, relevant, and practical guide for the bureau in all areas of work. Focus areas include efficient and effective services, high performing and diverse workforce, communication and community engagement, high quality customer service, equity plan implementation, and technology integration.

Capital Budget

Capital Summary

CIP Highlights

Portland Online Permitting System (POPS)

The Portland Online Permitting System (POPS) is a BDS initiative to upgrade the City's legacy permit and case management system (TRACS) which has been in use since 1999. In November 2010, the City Council granted approval to BDS to pursue an upgrade from TRACS to a new system. The goal of POPS is to provide the City of Portland, its development community, and the general public with more efficient and effective development review through the implementation of a web-based permit application, plan review, and inspection software system. The system will be accessible to City review staff, development review customers, and the general public 24 hours a day, 7 days a week.

Major Issues

BDS's current legacy permit and case management system (TRACS) lacks an online capacity and does not support electronic application submittal, plan review, or information access for customers and the community. This leads to a paper-based development review process that is inefficient and costly compared to web-based digital software systems already in use in numerous jurisdictions around the country. POPS will address these issues by providing web-based digital plan submittal and review services and online fee payment, and by making online information available in real time and more easily accessible.

Changes from Prior Year

After a 6-month project 'discovery phase' in 2017, a new project plan was implemented in January 2018. This plan includes the use of electronic plan review software with Avolve Systems Corporation, along with continued development of permitting software with CSDC Systems, Inc. Implementation progressed through 2018 in six distinct projects:

- ◆ Electronic plan review (PDX ePlans);
- ◆ An improved web portal for customers (Development Hub PDX);
- ◆ An upgrade to the current permitting database (AMANDA);
- ◆ Improved inspections scheduling;
- ◆ A mobile app for contractors and applicants; and
- ◆ A mobile app for City inspectors.

Bureau of Development Services

Council Goals and Priorities

POPS will significantly contribute to the City Council's budget goals and priorities, including:

- ◆ Improve the quality of life in neighborhoods – POPS and the concurrent project to digitize historic permit records will both result in more information being available to the public online, in real time. This increase in transparency will benefit the quality of life in neighborhoods by allowing community members to access information about proposed developments quickly and easily. It will also save staff time so there is greater capacity to work through issues with neighborhoods and developers, to try to get the best possible result for neighborhoods.
- ◆ Deliver efficient, effective, and accountable municipal services – POPS will greatly increase the efficiency of the development review process by moving the City from its current paper-based review system to an electronic system, and by providing 24/7 online access to services and information. Customers will be able to pay for permits online rather than traveling to the Development Services Center. Information will be available more in real time and will be more transparent and accessible to the community, increasing accountability. These are just a few of the many ways POPS will improve service delivery to the community.

Criteria

POPS is BDS's only Capital Improvement Project (CIP). The bureau's decision to move forward with POPS as a CIP included:

- ◆ Analyzing available solutions;
- ◆ Consulting with other jurisdictions using similar software solutions, and visiting those jurisdictions to see how those solutions are being implemented;
- ◆ Analyzing the cost and time associated with implementation of the solutions available;
- ◆ Analyzing the sustainability of the solutions available for long term benefit; and
- ◆ Coordinating with the Bureau of Technology Services (BTS) to ensure the new system can be supported by BTS and will work well with other City systems, such as SAP.

Capital Planning and Budgeting

Capital Planning Process

BDS's capital planning process began in fall 2009 and included a host of stakeholders. Sierra Cedar, Inc. was selected as the project vendor in December 2012, but was removed from the project in 2016. A re-evaluation of POPS took place in 2017 and resulted in the selection of Avolve Systems Corporation and CSDC Systems, Inc. as new vendors.

POPS is co-sponsored by BTS and BDS. It has been and continues to be reviewed by the Commissioner-in-Charge (Wheeler), the City's Technology Oversight Committee, the Development Review Advisory Committee, and the City Budget Office. Coordination is ongoing with all the development review bureaus, including Water, Transportation, Environmental Services, Fire, and Parks.

Connection to Plans

POPS will streamline the development review process, create significant efficiencies and cost savings for City bureaus and customers, and increase access to information for customers, neighborhoods, and the community. POPS will contribute to several City Comprehensive Plan goals and policies, including:

- ◆ Neighborhood Involvement - Provide for the active involvement of neighborhood residents and businesses in decisions affecting their neighborhood through the promotion of neighborhood and business associations. Provide information to neighborhood and business associations which allows them to monitor the impact of the Comprehensive Plan and to report their findings annually to the Planning and Sustainability Commission.
- ◆ Housing Availability - Ensure that an adequate supply of housing is available to meet the needs, preferences, and financial capabilities of Portland's households now and in the future.
- ◆ Regulatory Costs and Fees - Consider the impact of regulations and fees in the balance between housing affordability and other objectives such as environmental quality, urban design, maintenance of neighborhood character, and protection of public health, safety, and welfare.

POPS will also contribute to the Portland Plan strategy of economic prosperity and affordability:

- ◆ Thousands of trips to the bureau's downtown permitting offices will be avoided each year for customers and community members, since services and records will be available remotely. This will create significant efficiencies for customers and BDS staff and will contribute to the City's Climate Action Plan sustainability initiatives. Paper will also be saved, benefiting the environment.
- ◆ Paper and print cost savings will be realized for BDS and its customers, since plan submittal, plan review, permit issuance, and inspections will be performed electronically.

Financial Forecast Overview

BDS's 5-Year Financial Plan calls for overall BDS program revenue to decrease substantially in the first year, followed by a stabilization in the second year and increases in the final three years. The BDS Financial Advisory Committee, composed of local economists and real estate experts, reviewed the bureau's Financial Plan, contributed their advice, and were satisfied with the outcome of the projections. An approximation of POPS implementation costs, as well as the associated ongoing maintenance and improvement expenses, are reflected in the Financial Plan.

Asset Management and Replacement Plan

BDS currently projects that vendor costs for the ongoing maintenance of POPS will be approximately \$275,000 annually. The bureau's Five-Year Financial Plan shows that these costs can be paid out of bureau operating funds.

Bureau of Development Services

Summary of Bureau Budget

	Actual FY 2016-17	Actual FY 2017-18	Revised FY 2018-19	Requested No DP FY 2019-20	Requested FY 2019-20
Resources					
External Revenues					
Licenses & Permits	46,313,837	47,972,604	45,771,580	35,848,891	35,848,891
Charges for Services	18,769,455	17,455,328	18,044,287	13,396,191	13,396,191
Bond & Note	37,000,000	10,220,699	350,000	0	0
Miscellaneous	5,284,705	5,290,734	4,262,724	4,216,041	4,216,041
Total External Revenues	107,367,997	80,939,365	68,428,591	53,461,123	53,461,123
Internal Revenues					
Fund Transfers - Revenue	2,117,744	952,985	982,528	1,005,775	2,265,775
Interagency Revenue	1,092,472	1,152,531	930,244	1,181,896	1,181,896
Total Internal Revenues	3,210,216	2,105,516	1,912,772	2,187,671	3,447,671
Beginning Fund Balance	71,162,435	76,632,770	88,083,543	80,615,435	80,615,435
Total Resources	\$181,740,648	\$159,677,651	\$158,424,906	\$136,264,229	\$137,524,229
Requirements					
Bureau Expenditures					
Personnel Services	37,556,654	43,141,645	53,326,345	56,280,718	56,280,718
External Materials and Services	5,513,316	6,716,706	10,609,251	8,963,044	9,023,044
Internal Materials and Services	11,942,233	14,686,753	12,836,466	10,344,469	10,344,469
Capital Outlay	0	147,769	0	0	0
Total Bureau Expenditures	55,012,203	64,692,874	76,772,062	75,588,231	75,648,231
Fund Expenditures					
Debt Service	48,361,418	16,350,767	5,360,492	1,443,126	1,443,126
Contingency	0	0	73,885,191	56,796,319	57,996,319
Fund Transfers - Expense	1,734,257	2,065,916	2,407,161	2,436,553	2,436,553
Total Fund Expenditures	50,095,675	18,416,683	81,652,844	60,675,998	61,875,998
Ending Fund Balance	76,632,770	76,568,095	0	0	0
Total Requirements	\$181,740,648	\$159,677,651	\$158,424,906	\$136,264,229	\$137,524,229
Programs					
Administration & Support	18,420,651	22,166,595	27,361,477	23,286,849	23,346,849
Combination Inspections	5,700,949	6,730,124	8,450,296	9,005,725	9,005,725
Plan Review	9,987,708	11,231,282	7,712,216	8,442,397	8,442,397
Development Services	655,650	1,458,345	6,559,075	7,696,430	7,696,430
Land Use Services	8,841,186	10,210,409	11,703,686	9,319,079	9,319,079
Compliance Services	0	460,113	1,474,982	1,767,163	1,767,163
Grants Management	(3,999)	3,999	0	0	0
Neighborhood Inspections	2,749,554	3,298,700	3,802,610	4,048,681	4,048,681
Commercial Inspections	6,170,954	6,791,271	7,664,805	9,311,515	9,311,515
Site Development	2,489,542	2,342,036	2,042,915	2,710,392	2,710,392
Total Programs	\$55,012,196	\$64,692,874	\$76,772,062	\$75,588,231	\$75,648,231

C3 - Capital Improvement Plan Summaries

Run Date: 2/2/19

Run Time: 10:24:39 AM

Capital Improvement Plan

Project Name	Prior Year CIP	2018-19 Revised Budget	2020 Request	2021 Estimate	2022 Estimate	2023 Estimate	2024 Estimate	5-Year Total
Bureau of Development Services								
Special Projects								
Amanda 7 & Inspections Scheduling		New Project: YES		Total Project Cost:			Area: Citywide	
		Confidence Level: Moderate		Original Project Cost:			Objective: Replacement	
Project Description								
This project is part of the Portland Online Permitting System. The FY 2018-19 budgeted amount shown for this project represents an upgrade and migration of the AMANDA software version currently used by BDS to the latest version. This latest version includes all existing functionality plus improved searching capabilities, embedded GIS, and a modern online browsing experience. Inspections scheduling automates inspection assignments, reducing manual assignment and scheduling time in the office, enabling more inspection time in the field and more balanced workloads. Future phases of the Portland Online Permitting System are budgeted under this project.								
Revenue Source(s)								
This project is financed by BDS operating funds, which are generated through permit fees associated with commercial, residential, and trade permits, and land use review fees and enforcement penalties.								
Total Requirements	0	4,121,848	5,102,648	0	0	0	0	5,102,648
Operating and Maintenance Costs	0	0	0	0	0	0	0	0

C3 - Capital Improvement Plan Summaries

Run Date: 2/2/19

Capital Improvement Plan

Run Time: 10:24:39 AM

Project Name	Prior Year CIP	2018-19 Revised Budget	2020 Request	2021 Estimate	2022 Estimate	2023 Estimate	2024 Estimate	5-Year Total
Bureau of Development Services								
Special Projects								
Contractor App & Inspector App								
		New Project: YES		Total Project Cost:			Area: Citywide	
		Confidence Level: Moderate		Original Project Cost:			Objective: Replacement	
Project Description								
This project is part of the Portland Online Permitting System and adds applications for use by BDS inspectors and customers on mobile devices. The inspector app allows inspectors access to information in real time out in the field, and enables onsite resulting and scheduling. The contractor app will be used by BDS customers, allowing access to inspection information and results.								
Revenue Source(s)								
This project is financed by BDS operating funds, which are generated through permit fees associated with commercial, residential, and trade permits, and land use review fees and enforcement penalties.								
Total Requirements	0	3,010,734	0	0	0	0	0	0
Operating and Maintenance Costs	0	0	0	0	0	0	0	0

C3 - Capital Improvement Plan Summaries

Run Date: 2/2/19

Capital Improvement Plan

Run Time: 10:24:39 AM

Project Name	Prior Year CIP	2018-19		2020 Request	2021 Estimate	2022 Estimate	2023 Estimate	2024 Estimate	5-Year Total
		Revised Budget							
Bureau of Development Services									
Special Projects									
Development Hub PDX		New Project: YES			Total Project Cost:		Area: Citywide		
		Confidence Level: Moderate			Original Project Cost:		Objective: Replacement		
Project Description									
This project is part of the Portland Online Permitting System. It improves the online customer portal, allowing functionality to apply for simple permits with additional payment functionality and improved search capabilities.									
Revenue Source(s)									
This project is financed by BDS operating funds, which are generated through permit fees associated with commercial, residential, and trade permits, and land use review fees and enforcement penalties.									
Total Requirements		0	2,368,049	0	0	0	0	0	0
Operating and Maintenance Costs		0	0	0	0	0	0	0	0

C3 - Capital Improvement Plan Summaries

Run Date: 2/2/19

Capital Improvement Plan

Run Time: 10:24:39 AM

Project Name	Prior Year CIP	2018-19 Revised Budget	2020 Request	2021 Estimate	2022 Estimate	2023 Estimate	2024 Estimate	5-Year Total
Bureau of Development Services								
Special Projects								
Electronic Plan Review Phase 1								
		New Project: YES		Total Project Cost:		Area: Citywide		
		Confidence Level: Moderate		Original Project Cost:		Objective: Replacement		
Project Description								
This project is part of the Portland Online Permitting System. It allows for electronic submittal and review of plans. ePlans will reduce customer trips to the Development Services Center, eliminate the customer's expense of printing four sets of plans for review, allow concurrent review of plans by all reviewers, and eliminate storage needs and scanning of physical plans prior to archiving.								
Revenue Source(s)								
This project is financed by BDS operating funds, which are generated through permit fees associated with commercial, residential, and trade permits, and land use review fees and enforcement penalties.								
Total Requirements	0	2,496,600	0	0	0	0	0	0
Operating and Maintenance Costs	0	0	0	0	0	0	0	0

Class	Title	Salary Range		Revised FY 2018-19		Requested No DP FY 2019-20		Requested FY 2019-20	
		Minimum	Maximum	No.	Amount	No.	Amount	No.	Amount
30000063	Accountant II	59,114	74,402	3.00	190,478	3.00	204,233	3.00	204,233
30000064	Accountant III	65,083	81,848	1.00	73,804	1.00	76,925	1.00	76,925
30003002	Administrative Specialist I	44,075	66,102	1.00	64,854	1.00	64,854	1.00	64,854
30003003	Administrative Specialist II	48,277	89,523	10.00	672,697	10.00	693,117	10.00	693,117
30003004	Administrative Specialist III	53,290	98,800	1.00	85,238	1.00	85,238	1.00	85,238
30003005	Administrative Specialist IV	63,336	105,373	1.00	58,646	1.00	75,525	1.00	75,525
30003006	Analyst I	53,290	98,800	3.00	225,576	3.00	225,576	3.00	225,576
30003007	Analyst II	63,336	105,373	7.00	631,498	7.00	631,498	7.00	631,498
30003008	Analyst III	69,805	126,318	2.00	243,256	2.00	243,256	2.00	243,256
30000175	Building Inspector I	65,000	75,192	2.00	120,347	2.00	145,084	2.00	145,084
30000173	Building Inspector II	74,318	85,966	18.00	1,431,776	18.00	1,516,511	18.00	1,516,511
30000174	Building Inspector, Sr	84,510	97,802	24.00	2,312,383	24.00	2,362,505	24.00	2,362,505
30003010	Business Systems Analyst I	53,290	98,800	1.00	31,915	1.00	58,510	1.00	58,510
30003011	Business Systems Analyst II	63,336	105,373	5.00	361,164	5.00	392,080	5.00	392,080
30003012	Business Systems Analyst III	69,805	126,318	3.00	302,557	3.00	302,557	3.00	302,557
30000184	Code Specialist II	50,274	66,581	5.00	302,827	5.00	309,565	5.00	309,565
30000186	Code Specialist III	54,933	72,010	2.00	115,716	2.00	143,342	2.00	143,342
30000170	Combination Inspector	81,869	94,848	16.00	1,410,397	16.00	1,479,273	16.00	1,479,273
30003027	Coordinator I - NE	48,277	89,523	6.00	454,614	6.00	454,614	6.00	454,614
30003028	Coordinator II	53,290	98,800	4.00	216,061	4.00	302,723	4.00	302,723
30003029	Coordinator III	63,336	105,373	2.00	142,872	2.00	172,130	2.00	172,130
30003030	Coordinator IV	69,805	126,318	1.00	116,938	1.00	116,938	1.00	116,938
30000335	Development Services Project Coord	71,968	91,915	7.00	565,602	7.00	585,798	7.00	585,798
30000332	Development Services Technician I	44,221	59,259	10.00	457,053	10.00	492,571	10.00	492,571
30000333	Development Services Technician II	59,259	75,608	37.00	2,427,370	37.00	2,514,357	37.00	2,514,357
30000334	Development Services Technician III	71,968	91,915	8.00	684,844	8.00	705,080	8.00	705,080
30003038	Director II	130,478	208,770	1.00	185,994	1.00	185,994	1.00	185,994
30000168	Electrical Inspector	74,318	85,966	10.00	818,055	10.00	835,155	10.00	835,155
30000169	Electrical Inspector, Sr	84,510	97,802	9.00	831,407	9.00	882,652	9.00	882,652
30003047	Engineer III	80,205	140,338	1.00	110,271	1.00	110,271	1.00	110,271
30000367	Engineer-Geotechnical	94,619	114,982	7.00	698,332	7.00	755,780	7.00	755,780
30000368	Engineer-Mechanical	94,619	114,982	2.00	227,074	2.00	229,965	2.00	229,965
30000369	Engineer-Structural	94,619	114,982	13.00	1,426,782	13.00	1,454,704	13.00	1,454,704
30000360	Engineering Associate, Sr-Geotechnical	81,827	104,291	1.00	81,827	1.00	83,814	1.00	83,814
30003050	Engineering Manager	92,851	162,490	1.00	135,990	1.00	135,990	1.00	135,990
30003051	Engineering Supervisor	91,728	152,277	2.00	252,179	2.00	252,179	2.00	252,179
30003054	Financial Analyst I	53,290	98,800	1.00	78,333	1.00	78,333	1.00	78,333
30003055	Financial Analyst II	63,336	105,373	2.00	171,735	2.00	171,735	2.00	171,735
30003056	Financial Analyst III	69,805	126,318	1.00	106,579	1.00	106,579	1.00	106,579
30000372	Graphics Designer II	59,259	75,608	1.00	75,608	1.00	75,608	1.00	75,608
30000373	Graphics Designer III	71,968	91,915	1.00	71,968	1.00	73,788	1.00	73,788
30000028	Hearings Clerk	51,854	68,182	2.00	130,146	2.00	133,552	2.00	133,552
30000171	Housing Inspector	58,427	73,986	13.00	789,693	13.00	890,070	13.00	890,070
30000172	Housing Inspector, Sr	77,126	89,253	5.00	430,115	5.00	445,371	5.00	445,371
30003082	Manager II	92,851	162,490	3.00	360,235	3.00	360,235	3.00	360,235
30003083	Manager III	111,696	189,842	1.00	141,461	1.00	141,461	1.00	141,461
30003085	Multimedia Specialist	53,290	98,800	2.00	123,540	2.00	144,186	2.00	144,186
30000012	Office Support Specialist II	37,461	53,789	23.00	1,036,512	23.00	1,091,168	23.00	1,091,168
30000013	Office Support Specialist III	47,902	63,482	9.00	497,107	9.00	514,282	9.00	514,282
30000377	Planner I, City-Land Use	69,160	80,038	8.00	628,971	8.00	634,398	8.00	634,398

Class	Title	Salary Range		Revised FY 2018-19		Requested No DP FY 2019-20		Requested FY 2019-20	
		Minimum	Maximum	No.	Amount	No.	Amount	No.	Amount
30000381	Planner I, City-Urban Design	69,160	80,038	3.00	228,779	3.00	235,228	3.00	235,228
30000384	Planner II, City-Environmental	79,518	92,040	2.00	172,120	2.00	180,539	2.00	180,539
30000385	Planner II, City-Land Use	79,518	92,040	14.00	1,270,623	14.00	1,287,878	14.00	1,287,878
30000389	Planner II, City-Urban Design	79,518	92,040	6.00	535,330	6.00	547,007	6.00	547,007
30000375	Planner, Associate	62,858	72,758	4.00	277,659	4.00	282,978	4.00	282,978
30003089	Planner, Principal	91,728	152,277	1.00	128,544	1.00	128,544	1.00	128,544
30000393	Planner, Sr City-Land Use	85,488	98,925	10.00	962,867	10.00	979,948	10.00	979,948
30000397	Planner, Sr City-Urban Design	85,488	98,925	4.00	386,443	4.00	389,100	4.00	389,100
30003090	Planner, Supervising	80,205	140,338	5.00	571,440	5.00	571,440	5.00	571,440
30000374	Planning Assistant	37,003	47,216	1.00	37,003	1.00	37,929	1.00	37,929
30000231	Plans Examiner, Commercial	76,502	93,974	20.00	1,718,010	20.00	1,759,520	20.00	1,759,520
30000230	Plans Examiner, Residential	66,061	77,251	7.00	461,903	7.00	508,493	7.00	508,493
30000232	Plans Examiner, Sr	82,410	102,107	5.00	489,882	5.00	489,882	5.00	489,882
30000164	Plumbing Inspector	74,318	85,966	8.00	680,785	8.00	693,982	8.00	693,982
30000165	Plumbing Inspector, Sr	84,510	97,802	4.00	398,944	4.00	398,944	4.00	398,944
30003096	Public Information Manager	80,205	140,338	1.00	94,289	1.00	109,658	1.00	109,658
30003097	Public Information Officer	63,336	105,373	1.00	84,354	1.00	84,354	1.00	84,354
30003100	Risk Specialist II	63,336	105,373	1.00	80,547	1.00	98,904	1.00	98,904
30000177	Site Development Inspector I	65,000	75,192	4.00	264,876	4.00	289,633	4.00	289,633
30000179	Site Development Inspector II	74,318	85,966	2.00	116,093	2.00	166,046	2.00	166,046
30000178	Site Development Inspector, Sr	84,510	97,802	2.00	190,237	2.00	193,412	2.00	193,412
30003103	Supervisor I - E	63,336	105,373	2.00	173,877	2.00	173,877	2.00	173,877
30003104	Supervisor II	69,805	126,318	18.00	1,864,579	18.00	1,895,038	18.00	1,895,038
TOTAL FULL-TIME POSITIONS				424.00	34,299,578	424.00	35,643,467	424.00	35,643,467
30000385	Planner II, City-Land Use	79,518	92,040	0.90	82,836	0.90	82,836	0.90	82,836
30000392	Planner, Sr City-Environmental	85,488	98,925	0.90	89,032	0.90	89,032	0.90	89,032
30000393	Planner, Sr City-Land Use	85,488	98,925	0.90	89,032	0.90	89,032	0.90	89,032
TOTAL PART-TIME POSITIONS				2.70	260,901	2.70	260,901	2.70	260,901
30003003	Administrative Specialist II	48,277	89,523	3.00	194,178	1.00	68,900	1.00	68,900
30003007	Analyst II	63,336	105,373	2.00	168,709	2.00	168,709	2.00	168,709
30003008	Analyst III	69,805	126,318	1.00	98,062	1.00	98,062	1.00	98,062
30003012	Business Systems Analyst III	69,805	126,318	2.00	163,998	2.00	41,098	2.00	41,098
30003028	Coordinator II	53,290	98,800	1.00	77,426	1.00	77,426	1.00	77,426
30003029	Coordinator III	63,336	105,373	1.00	84,354	1.00	84,354	1.00	84,354
30000333	Development Services Technician II	59,259	75,608	2.00	140,870	2.00	146,487	2.00	146,487
30000334	Development Services Technician III	71,968	91,915	2.00	143,936	0.00	0	0.00	0
30000168	Electrical Inspector	74,318	85,966	1.00	88,795	1.00	88,795	1.00	88,795
30000369	Engineer-Structural	94,619	114,982	1.00	114,982	1.00	114,982	1.00	114,982
30000012	Office Support Specialist II	37,461	53,789	2.00	65,415	1.00	1,987	1.00	1,987
30000013	Office Support Specialist III	47,902	63,482	2.00	125,112	2.00	126,781	2.00	126,781
30000385	Planner II, City-Land Use	79,518	92,040	2.00	184,080	2.00	184,080	2.00	184,080
30000231	Plans Examiner, Commercial	76,502	93,974	1.00	88,566	1.00	88,566	1.00	88,566
30000164	Plumbing Inspector	74,318	85,966	1.00	76,773	1.00	48,464	1.00	48,464
30003108	Technology Capital Project Manager	91,728	152,277	1.00	119,538	0.00	0	0.00	0
TOTAL LIMITED TERM POSITIONS				25.00	1,934,794	19.00	1,338,691	19.00	1,338,691
GRAND TOTAL				451.70	36,495,273	445.70	37,243,059	445.70	37,243,059

	Actual FY 2016-17	Actual FY 2017-18	Revised FY 2018-19	Requested No DP FY 2019-20	Requested FY 2019-20	Proposed FY 2019-20
Resources						
Licenses & Permits	46,313,836	47,972,604	45,771,580	35,848,891	35,848,891	
Charges for Services	18,769,455	17,455,328	18,044,287	13,396,191	13,396,191	
Bond & Note	37,000,000	10,220,699	350,000	0	0	
Miscellaneous	5,284,700	5,290,734	4,262,724	4,216,041	4,216,041	
Total External Revenues	107,367,991	80,939,365	68,428,591	53,461,123	53,461,123	
Fund Transfers - Revenue	2,117,744	952,985	982,528	1,005,775	2,265,775	
Interagency Revenue	1,092,472	1,152,531	930,244	1,181,896	1,181,896	
Total Internal Revenues	3,210,216	2,105,516	1,912,772	2,187,671	3,447,671	
Beginning Fund Balance	71,166,201	76,632,770	88,083,543	80,615,435	80,615,435	
Total Resources	181,744,409	159,677,651	158,424,906	136,264,229	137,524,229	
Requirements						
Personnel Services	37,560,419	43,141,645	53,326,345	56,280,718	56,280,718	
External Materials and Services	5,513,312	6,716,706	10,609,251	8,963,044	9,023,044	
Internal Materials and Services	11,942,233	14,686,753	12,836,466	10,344,469	10,344,469	
Capital Outlay	0	147,769	0	0	0	
Total Bureau Expenditures	55,015,964	64,692,874	76,772,062	75,588,231	75,648,231	
Debt Service	48,361,418	16,350,767	5,360,492	1,443,126	1,443,126	
Contingency	0	0	73,885,191	56,796,319	57,996,319	
Fund Transfers - Expense	1,734,257	2,065,916	2,407,161	2,436,553	2,436,553	
Total Fund Expenditures	50,095,675	18,416,683	81,652,844	60,675,998	61,875,998	
Ending Fund Balance	76,632,770	76,568,095	0	0	0	
Total Requirements	181,744,409	159,677,651	158,424,906	136,264,229	137,524,229	

Fund Overview

The Development Services Fund accounts for all revenues and expenditures related to activities and services provided by the Bureau of Development Services (BDS).

Managing Agency Bureau of Development Services

Significant Changes from Prior Year

Declining Construction Activity

After multiple years of strong growth, the construction industry and BDS have been experiencing declines in the past year. While the bureau was able to accumulate healthy reserves during the construction expansion, the bureau is currently drawing on reserves in most programs. The bureau has put in place cost savings measures to proactively manage the downturn.

Portland Online Permitting System (POPS)

BDS remains committed to moving forward with POPS. POPS will be implemented in phases, with each phase adding capabilities that are well-tested and supported. The plan's first phase includes simultaneous implementation of six distinct projects:

- ◆ AMANDA Migration – Update to the latest AMANDA software version, which includes all existing functionality plus improved searching capabilities, embedded GIS, and a modern online browsing experience. The current TRACS software will be retired and its data will be migrated to AMANDA.
- ◆ Inspections Scheduling – Automates inspection assignments, reducing manual assignment and scheduling time in the office, enabling more inspection time in the field and more balanced workloads
- ◆ Inspector App – Used by BDS inspectors on mobile devices, allowing access to information in real time out in the field, and enabling onsite resulting and scheduling
- ◆ Contractor App – Used by BDS customers, allows access to inspection information and results on mobile devices
- ◆ Development Hub PDX – Improved online customer portal to apply for simple permits with additional payment functionality and improved search capabilities
- ◆ PDX ePlans – Electronic review of plans, reducing customer trips to the Development Services Center, physical plans, and storage needs.

Fee Changes

Due to the decline in construction activity, BDS will be evaluating fees in FY 2019-20 for several of the bureau's programs. Flat fees and hourly charges are also being evaluated to ensure charges cover the costs of providing services. BDS will be presenting a fee change proposal to City Council for Land Use Services effective April 1, 2019. Changes to other programs' fees would go into effect July 1, 2019.

Administration & Support

Program Description & Goals

The Administration & Support Program provides overall direction to the bureau in order to meet program objectives. The program supports the Citywide goal to protect and enhance the natural and built environment by delivering services that support the work of other bureau programs.

Included within this program’s budget are:

- The Office of the Director, including Equity and Policy Development and Communications;
- The Business Operations and Finance Services Division, which includes Budget and Finance, Emergency Management and Safety, Facilities, Training and Workforce Development, Human Resources, Recruitment and Hiring, Loss Control/Risk Management, Special Projects, Building Code Appeals, Code and Policy Development, and Front Desk/Administrative Support.
- The Portland Online Permitting System (POPS) and associated technology staff are included in the Administration & Support Program for budgeting purposes; however, organizationally POPS is a separate division.

Measure Title	PM 2016-17 Actuals	PM 2017-18 Actuals	PM 2018-19 YTD Actual	PM 2019-20 Target	Strategic Target
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Explanation of Services

The Office of the Director helps BDS achieve its overall mission and goals by setting the bureau's strategic direction, driving implementation of BDS’s Racial Equity Plan, and providing effective communication tools and strategies.

Business Operations and Finance Services provides administrative and infrastructure services to the rest of the bureau, supporting BDS’s operational programs as they administer State building codes and local City Code, providing direct services to customers and the community.

Equity Impacts

Through the Equity and Policy Development section, the Administration & Support Program bears responsibility for leading the implementation of BDS's five-year Racial Equity Plan (launched in December 2016) and making progress toward racial equity in bureau programs and services. Equity and Policy Development staff works with staff from other bureau programs to identify strategies and apply an equity lens to all bureau services.

BDS is tasked with administering State building codes and City regulations related to development, and primarily responds to requests for service and information from customers and community members. The bureau has taken specific steps to promote equity in its recruitment and hiring decisions, contracting, and community outreach and education. BDS has also launched two new programs with a focus on serving communities of color and other underserved communities. These two new programs (Small Business & Arts Program and Permitting Solutions Program) are described in more detail in the Development Services Program section. BDS is also working to put metrics in place to better track progress and determine the success of these efforts.

Changes to Program

All BDS programs are being impacted by the recent slowdown in development work and bureau revenues. A hiring freeze has been applied to all bureau programs through the end of 2019, the bureau has reduced non-priority expenditures, and other cost-saving measures are being explored.

Budget and Finance staff in Administration & Support will continue closely tracking and reporting on bureau workloads, revenues, and expenditures to help bureau managers make informed decisions regarding bureau staffing, programs and services, and fees.

As part of a significant bureau re-organization, the bureau's Technology Team has been moved from Administration & Support to the Portland Online Permitting Services (POPS) Program, while the Records Conversion team has been moved to Permitting Services.

Program Budget

	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
Bureau Expense				
Capital Outlay	0	122,369	0	0
External Materials and Services	3,209,932	3,781,311	7,410,293	5,774,533
Internal Materials and Services	8,659,148	10,617,387	9,203,048	7,944,071
Personnel	6,545,604	7,633,213	10,748,136	9,568,245
Fund Expense				
Contingency	0	0	73,885,191	56,796,319
Debt Service	48,361,418	16,350,767	5,360,492	1,443,126
Fund Transfers - Expense	1,734,257	2,065,916	2,407,161	2,436,553
Ending Fund Balance	0	76,568,095	0	0
Sum:	68,510,360	117,139,058	109,014,321	83,962,847
	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
FTE	67.03	81.5	82	78.8
Sum:	67.03	81.5	82	78.8

Resources: Administration & Support is supported by revenue generated by fees and charges for services. As the program provides services to the entire bureau, it is supported by revenue from all revenue generating programs.

Expenses: Primary expenditures in Administration & Support are personnel related. The program also acts as a center for pooling rent and facilities related costs, bureau technology infrastructure development and support, customer service and communications, equity and policy development, and Fund level expenditures. Costs in Administration and Support are disbursed to revenue generating programs.

Staffing: Administration & Support includes 78.8 FTE for FY 2019-20, an increase from 67.03 FTE in FY 2016-17. BDS has imposed a hiring freeze through the end of 2019 due to declines in workload and revenues, and the bureau does not anticipate adding positions to this program in the near future.

Assets and Liabilities: The bureau's key assets are the POPS Program (BDS's lone capital project) and the BDS vehicle fleet. BDS's 5-Year Financial Plan incorporates current and future costs for repair, renewal, and replacement of these assets. Costs for the vehicle fleet are assigned proportionally to the bureau programs that use fleet vehicles; costs for the POPS Program are assigned proportionally to all bureau programs.

Program Information

Bureau: Bureau of Development Services
<https://www.portlandoregon.gov/bds/>

Program Contact: Elshad Hajiyev

Contact Phone (503) 823-7338

Combination Inspections

Program Description & Goals

The Combination Inspections Program (referred to as “Residential Inspections” on the BDS organizational chart) ensures that new and remodeled one- and two-family residences meet building safety codes and requirements. In this program, the goal is for all inspectors to obtain State of Oregon certification in all four specialties: structural, mechanical, plumbing, and electrical. This approach saves contractors and homeowners time and money in scheduling inspections and allows the City to perform more inspections with fewer staff. Cost savings have been realized through this program, and other jurisdictions have recognized the quality of Portland’s training program and are using it as a model.

The Combination Inspections Program includes the Field Issuance Remodel Subprogram.

Combination Inspections supports the Citywide goal to protect and enhance the natural and built environment.

Combination Inspections’ Key Performance Measure is the number of inspections completed per day per inspector. This number has decreased from 26.46 in FY 2017-18 to 23.41 in the first half of FY 2018-19. This number is projected to improve to 25.0 in FY 2019-20. The bureau’s target is 28.0 inspections per day per inspector. Meeting this target contributes to the Portland Plan goal to ensure quality, affordable housing by minimizing delays in construction, thus reducing costs.

BDS also tracks the number of inspection trips reduced through the use of inspectors who are certified in multiple disciplines; a single inspector may be able to inspect in up to four disciplines. This number was 19,196 in FY 2017-18 and was 8,777 through the first half of FY 2019-20. The bureau expects this number to be 18,000 in FY 2019-20. Finally, the bureau tracks the overall number of inspections performed. 125,254 inspections were performed in FY 2017-18 but has since decreased due to the decline in construction activity; this number was 56,823 through the first half of FY 2018-19 and is projected to be 92,000 in FY 2019-20.

Measure Title	PM 2016-17 Actuals	PM 2017-18 Actuals	PM 2018-19 YTD Actual	PM 2019-20 Target	Strategic Target
Number of Residential Inspections	117,675	125,254	56,823	92,000	92,000
Number of inspections per day, per inspector	26.98	26.46	23.41	25.00	28.00
Number of inspection trips reduced due to multi-certified inspectors	19,130	19,196	8,777	18,000	19,000

Explanation of Services

The Combination Inspections Program is one of several BDS programs that helps fulfill the bureau’s obligation to administer the State building code program. The services provided under Combination Inspections ensure compliance with the State’s structural, mechanical, plumbing, and electrical codes, as well as various City Code titles. This program promotes community health and safety by helping to ensure that residential structures and other installations meet all applicable code standards.

Equity Impacts

Combination Inspections is tasked with administering State building codes and City regulations related to commercial development. These services are generally provided citywide as requested by customers. BDS has been providing equity training and customer service training to the staff in the Combination Inspections Program, as well as recruiting, promoting, and hiring a more diverse workforce to better reflect the demographics of the community. BDS is developing several process improvements that will result in more convenience for all residential inspections customers, such as a simpler process for residential bathroom additions, more online services, and real-time inspection results information.

Changes to Program

All BDS programs are being impacted by the recent slowdown in development work and bureau revenues. A hiring freeze has been applied to all bureau programs through the end of 2019, the bureau has reduced non-priority expenditures, and other cost-saving measures are being explored. Combination Inspections' workload has not yet been affected by the slowdown, but the impact will likely be felt in the next 12-18 months.

Combination Inspections' work will be significantly impacted with the implementation of the Portland Online Permitting System (POPS). The inspection scheduling process will move from a phone-based to an online system, and inspectors and customers will be able to perform inspection-related activities through new mobile apps.

As part of a significant bureau re-organization, Combination Inspections has been made into a separate bureau division; it had previously been part of the Inspections Division with Commercial Inspections.

Program Budget

	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
Bureau Expense				
External Materials and Services	406,434	297,603	489,676	567,181
Internal Materials and Services	318,962	463,155	350,696	441,990
Personnel	4,975,553	5,969,367	7,609,924	7,996,554
Sum:	5,700,949	6,730,124	8,450,296	9,005,725
	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
FTE	48.92	61.22	63	61.1
Sum:	48.92	61.22	63	61.1

Resources: Combination Inspections is supported by revenue generated by fees and charges for services. These fees include building, mechanical, electrical, electrical, and plumbing permit revenue collected from residential development projects.

- Expenses:** Primary expenditures in Combination Inspections are personnel related. The program also has expenditures related to the maintenance and parking of the bureau’s fleet. Costs in Combination Inspections are disbursed to the bureau’s Building/Mechanical, Electrical, Plumbing, and Field Issuance Remodel Programs.
- Staffing:** Combination Inspections includes 61.1 FTE for FY 2019-20, an increase from 48.92 FTE in FY 2016-17 and just below 61.22 FTE in FY 2017-18. BDS has imposed a hiring freeze through the end of 2019 due to declines in workload and revenues, and the bureau does not anticipate adding positions to this program in the near future.
- Assets and Liabilities:** The bureau’s key assets are the POPS Program (BDS’s lone capital project) and the BDS vehicle fleet. BDS’s 5-Year Financial Plan incorporates current and future costs for repair, renewal, and replacement of these assets. Costs for the vehicle fleet are assigned proportionally to the bureau programs that use fleet vehicles; costs for the POPS Program are assigned proportionally to all bureau programs.

Program Information			
Bureau:	Bureau of Development Services	Program Contact:	Dave Tebeau
	https://www.portlandoregon.gov/		
Website:	bds/	Contact Phone	(503) 823-6802

Commercial Inspections

Program Description & Goals

The Commercial Inspections Program performs state-mandated construction inspections (structural, electrical, plumbing, and mechanical) on industrial, commercial, and multi-family construction projects in Portland and the urban services area of Multnomah County. The program also provides plan review services for commercial plumbing and electrical permits, and a full range of permitting and inspections services in the Facility Permit Program (FPP).

Commercial Inspections supports the Citywide goal to protect and enhance the natural and built environment. The Program also works together with both Portland Fire & Rescue and the Multnomah County Health Division to provide a safe and healthy work and living environment for Portland residents.

Commercial Inspections' Key Performance Measure, the number of inspections completed per inspector per day, is at 11.4 through the first half of FY 2018-19, lower than the 13.7 from FY 2017-18. The bureau's strategic target is 14.0 inspections completed per inspector per day. Making progress toward this target contributes to the Portland Plan goal to ensure quality, affordable housing by minimizing delays in construction, thus reducing costs.

Another important performance measure is the percentage of inspections made within 24 hours of request. This number has increased from 87% in FY 2017-18 to from 93% through the first half of FY 2018-19. The bureau's strategic target is 95%. Finally, the number of commercial inspections is projected to decrease due to a decline in construction activity, from 65,892 in FY 2017-18 to 60,000 in FY 2019-20.

Measure Title	PM 2016-17 Actuals	PM 2017-18 Actuals	PM 2018-19 YTD Actual	PM 2019-20 Target	Strategic Target
Number of Commercial Inspections	60,030	65,892	34,426	60,000	60,000
Number of commercial inspections per day, per inspector	13.35	13.70	11.40	12.00	14.00
Percentage of commercial inspections made within 24 hours of request	83%	87%	93%	92%	95%

Explanation of Services

The Commercial Inspections Program is one of several BDS programs that helps fulfill the bureau's obligation to administer the State building code program. The services provided under Commercial Inspections ensure compliance with the State's structural, mechanical, plumbing, and electrical codes, as well as the City's Sign, Zoning, and Site Development codes. This program promotes community health and safety by helping to ensure that commercial buildings, multi-family residential structures, and other commercial installations meet all applicable code standards.

Equity Impacts

Commercial Inspections is tasked with administering State building codes and City regulations related to commercial development. These services are generally provided citywide as requested by customers. Through equity training of BDS inspections staff, increased awareness of the challenges faced by those in underserved communities, and customer service training, the BDS inspections culture is becoming more equipped to address the needs of customers of color and others. An example includes the development of BDS's new Cannabis Facilities Program, with an emphasis on industry partners of color, to assist them with getting facilities permitted and inspected.

Changes to Program

All BDS programs are being impacted by the recent slowdown in development work and bureau revenues. A hiring freeze has been applied to all bureau programs through the end of 2019, the bureau has reduced non-priority expenditures, and other cost-saving measures are being explored. Commercial Inspections' workload has not yet been affected by the slowdown, but the impact will likely be felt in the next 12-18 months.

Commercial Inspections' work will be significantly impacted with the implementation of the Portland Online Permitting System (POPS). The inspection scheduling process will move from a phone-based to an online system, and inspectors and customers will be able to perform inspection-related activities through new mobile apps.

As part of a significant bureau re-organization, Commercial Inspections has been made into a separate bureau division; it had previously been part of the Inspections Division with Combination Inspections. A new Cannabis Facilities Program has been created within Commercial Inspections, to work with permit applicants and owners of cannabis facilities.

Program Budget

	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
Bureau Expense				
External Materials and Services	360,609	504,816	503,200	635,393
Internal Materials and Services	470,912	532,810	763,583	781,931
Personnel	5,339,433	5,753,645	6,398,022	7,894,191
Sum:	6,170,954	6,791,271	7,664,805	9,311,515
	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
FTE	46.79	50.37	58	59.55
Sum:	46.79	50.37	58	59.55

Resources: Commercial Inspections is supported by revenue generated by fees and charges for services. These fees include building, mechanical, electrical, electrical, and plumbing permit revenue collected from commercial development projects.

- Expenses:** Primary expenditures in Commercial Inspections are personnel related. The program also has expenditures related to the maintenance and parking of the bureau's fleet. Costs in Commercial Inspections are disbursed to the bureau's Building/Mechanical, Electrical, Plumbing, and Facility Permit Programs.
- Staffing:** Commercial Inspections includes 59.55 FTE for FY 2019-20, an increase from 46.79 FTE in FY 2016-17 and 50.37 FTE in FY 2017-18. BDS has imposed a hiring freeze through the end of 2019 due to declines in workload and revenues, and the bureau does not anticipate adding positions to this program in the near future.
- Assets and Liabilities:** The bureau's key assets are the POPS Program (BDS's lone capital project) and the BDS vehicle fleet. BDS's 5-Year Financial Plan incorporates current and future costs for repair, renewal, and replacement of these assets. Costs for the vehicle fleet are assigned proportionally to the bureau programs that use fleet vehicles; costs for the POPS Program are assigned proportionally to all bureau programs.

Program Information			
Bureau:	Bureau of Development Services	Program Contact:	Darryl Godsby
	https://www.portlandoregon.gov/bds/		
Website:	bds/	Contact Phone	(503) 823-5787

Compliance Services

Program Description & Goals

The Compliance Services Program is composed of Zoning and Construction Code compliance workgroups. These workgroups primarily respond to constituent complaints, investigate potential violations, and work with property owners, businesses, and tenants to resolve compliance issues at the lowest level possible.

The Compliance Services and Neighborhood Inspections programs together comprise the bureau's Property Compliance Inspections Division. The combined division includes Zoning Compliance, Landlord Training, Work without Permit, Dangerous Buildings, Signs & A-Boards, Nuisance, Housing, Derelict Buildings, Exterior Maintenance Requirements on non-Residential Structures, Chapter 13/Systematic Inspections, and Chronic Offenders. For budgeting purposes, Neighborhood Inspections is shown as a separate program.

Compliance Services supports the Citywide goal to protect and enhance the natural and built environment.

BDS tracks several workload measures for Compliance Services. The number of properties assessed code enforcement fees fluctuates from year-to-year, and was at 143 through the first half of FY 2018-19. This number is projected at 290 in FY 2019-20. The total number of zoning code activities (violation cases, inspections, and letters) is projected to decrease from 5,121 in FY 2017-18 to 4,348 in FY 2019-20.

Measure Title	PM 2016-17 Actuals	PM 2017-18 Actuals	PM 2018-19 YTD Actual	PM 2019-20 Target	Strategic Target
Number of enforcement cases prepared and presented to code hearings officer	1	2	0	2	2
Number of zoning code violation statistics (cases, inspections, and letters)	5,626	5,121	2,174	4,348	5,000
Number of home occupation permits issued	106	112	59	110	110
Number of properties assessed code enforcement fees	377	270	143	290	290
Number of construction code violation cases	333	276	81	150	150

Explanation of Services

Each year, Compliance Services responds to more than 10,000 inquiries regarding zoning, construction, and other code violations. Compliance Services' work is vital in ensuring safe, healthy structures and places for Portlanders to live, work, and play.

Equity Impacts

Compliance Services is tasked with administering City regulations regarding code violations and responding to requests for information from community members. These services are generally provided citywide as requested by community members. Compliance services staff are on the front lines in dealing with issues related to inequity and how underserved communities and communities of color are impacted by longstanding institutionalized racism, oppression and inequity. Staff is concerned about gentrification's causes and its impacts on individuals and neighborhoods, and have this context as they address complaints from neighbors and work to resolve issues and direct property owners to resources that can provide assistance. Additionally, BDS has launched the Permitting Solutions Program to assist communities of color and other underserved communities in resolving code violations and navigating the process to get their property back into compliance with applicable codes. More information on this program is provided in the Development Services Program section.

Changes to Program

All BDS programs are being impacted by the recent slowdown in development work and bureau revenues. A hiring freeze has been applied to all bureau programs through the end of 2019, the bureau has reduced non-priority expenditures, and other cost-saving measures are being explored.

As part of a significant bureau re-organization, Compliance Services and Neighborhood Inspections have been reorganized into a new Property Compliance Inspections Division.

Program Budget

	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
Bureau Expense				
External Materials and Services	0	25,593	39,407	41,605
Internal Materials and Services	0	31,440	20,723	32,771
Personnel	0	403,080	1,414,852	1,692,787
Sum:	0	460,113	1,474,982	1,767,163
	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
FTE	12.03	10.8	10	14.08
Sum:	12.03	10.8	10	14.08

Resources: Compliance Services is supported from fees and charges for services and lien revenue.

Expenses: Primary expenditures in Compliance Services are personnel related. Code compliance costs are allocated to the Building/Mechanical, Electrical, Plumbing, Site Development and Environmental Soils Programs.

Staffing: Compliance Services includes 14.08 FTE for FY 2019-20, an increase from 12.03 FTE in FY 2016-17 and 10.8 FTE in FY 2017-18. BDS has imposed a hiring freeze through the end of 2019 due to declines in workload and revenues, and the bureau does not anticipate adding positions to this program in the near future.

Assets and Liabilities: The bureau's key assets are the POPS Program (BDS's lone capital project) and the BDS vehicle fleet. BDS's 5-Year Financial Plan incorporates current and future costs for repair, renewal, and replacement of these assets. Costs for the vehicle fleet are assigned proportionally to the bureau programs that use fleet vehicles; costs for the POPS Program are assigned proportionally to all bureau programs.

Program Information

Bureau:	Bureau of Development Services	Program Contact:	Beth Benton
	https://www.portlandoregon.gov/bds/		
Website:	bds/	Contact Phone	(503) 823-3349

Development Services

Program Description & Goals

The Development Services Program (referred to as “Permitting Services” on the BDS organizational chart) manages the flow of the public permitting process, from early assistance to permit issuance to digitizing and maintaining the records for completed projects. Trade Permit staff reviewed and issued almost 43,000 plumbing, electrical, mechanical, and sign permits in FY 2017-18. Permitting Services staff performed intakes for over 10,650 building permit applications in FY 2017-18, while assigning reviewers, tracking reviews, and issuing permits. Process Managers guide customers with large and complex projects through the permitting process; higher-level assistance for complex projects can be provided through the Major Projects Group.

Development Services’ Key Performance Measure is the percentage of pre-issuance checks completed within 2 working days of the last review approval. This number has increased from 70% in FY 2017-18 to 72% through the first half of FY 2018-19. It is projected to remain at 72% in FY 2019-20. Making progress in this area contributes to the Portland Plan goal to ensure quality, affordable housing by minimizing delays in construction, thus reducing costs.

The bureau also tracks the percentage of building permits that are issued over-the-counter (on the same day as permit intake); this number has decreased slightly from 52% in FY 2017-18 to 48% through the first half of FY 2019-20. The total number of building permits issued (commercial and residential) is projected to decrease due to the decline in construction activity from 10,195 in FY 2017-18 to 9,000 in FY 2019-20.

Measure Title	PM 2016-17 Actuals	PM 2017-18 Actuals	PM 2018-19 YTD Actual	PM 2019-20 Target	Strategic Target
Number of issued commercial building permits	3,431	3,363	1,639	3,100	3,100
Number of issued residential building permits	6,820	6,832	3,013	5,900	5,900
Total number of issued commercial and residential building permits	10,251	10,195	4,652	9,000	9,000
Number of electrical permits	19,131	19,066	8,076	15,800	15,800
Number of mechanical permits	11,203	11,913	5,938	11,700	11,700
Number of plumbing permits	11,016	11,123	5,260	10,400	10,400
Number of sign permits	733	835	415	780	780
Percentage of building permits issued over the counter the same day as intake	54%	52%	48%	55%	56%
Percentage of pre-issuance checks completed within two working days of last review approval	62%	70%	72%	72%	80%

Explanation of Services

The Development Services Program is one of several BDS programs that helps fulfill the bureau’s obligation to administer the State building code program. The services provided under Development Services ensure compliance with the State’s structural, mechanical, plumbing, and electrical codes, as well as various City codes. This program promotes community health and safety by helping to ensure that structures and other installations meet all applicable code standards.

Equity Impacts

Development Services is tasked with administering State building codes and City regulations related to development. In addition, Development Services staff manages the flow of projects through the system, from permit intake and set up, to addressing, to charging the appropriate fees for service and issuing permits after all reviews have been approved. These services are provided citywide as requested by customers. Through equity training and customer service training, staff is gaining new tools and awareness in how the community is served and tailoring services to better meet the community's needs. Examples of the changes being made are the launching of the Small Business & Arts Program and the Permitting Solutions Program.

Changes to Program

All BDS programs are being impacted by the recent slowdown in development work and bureau revenues. A hiring freeze has been applied to all bureau programs through the end of 2019, the bureau has reduced non-priority expenditures, and other cost-saving measures are being explored.

As part of a significant bureau re-organization, Development Services ("Permitting Services") has been made into a separate bureau division; it had previously been part of the Plan Review & Permitting Services Division with the Plan Review section. Permitting Services includes two new programs that are intended to better serve communities of color and other underserved communities: the Small Business & Arts Program and the Permitting Solutions Program.

- The Small Business & Arts Program is intended to help entrepreneurs and small business owners of color in navigating the development review process, such as providing assistance in what to look for when selecting a tenant space to start a business. The arts portion of the program is intended to help artists get permits for creative spaces and arts venues, with a focus on communities of color and other underserved communities.
- The Permitting Solutions Program is also focused on better serving communities of color and other underserved communities by assisting individuals with code violations on their property to navigate the process to get their property back into compliance with the code.

Program Budget

	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
Bureau Expense				
External Materials and Services	645,836	74,166	588,029	301,598
Internal Materials and Services	0	959,118	407,719	527,841
Personnel	9,814	425,061	5,563,327	6,866,991
Sum:	655,650	1,458,345	6,559,075	7,696,430
	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
FTE	44.14	5	60	63.95
Sum:	44.14	5	60	63.95

Resources: Development Services is supported by revenue generated by fees and charges for services. As the program provides services to the bureau functions through activities in the Development Services Center, it is supported by revenue from the programs using these services.

- Expenses:** Primary expenditures in Development Services are personnel related. Costs in Development Services are disbursed to the programs using its services.
- Staffing:** Development Services includes 63.95 FTE for FY 2019-20, an increase from 44.14 FTE in FY 2016-17. BDS has imposed a hiring freeze through the end of 2019 due to declines in workload and revenues, and the bureau does not anticipate adding positions to this program in the near future.
- Assets and Liabilities:** The bureau's key assets are the POPS Program (BDS's lone capital project) and the BDS vehicle fleet. BDS's 5-Year Financial Plan incorporates current and future costs for repair, renewal, and replacement of these assets. Costs for the vehicle fleet are assigned proportionally to the bureau programs that use fleet vehicles; costs for the POPS Program are assigned proportionally to all bureau programs.

Program Information

Bureau:	Bureau of Development Services	Program Contact:	David Kuhnhausen
	https://www.portlandoregon.gov/bds/		
Website:	bds/	Contact Phone	(503) 823-7940

Land Use Services

Program Description & Goals

The Land Use Services Program (LUS) is responsible for implementing the goals and policies of the City's Comprehensive Plan, including neighborhood and community plans. This is accomplished through administration of the Portland Zoning Code (Title 33 of the City Code), which includes the City's Land Division Code, Metro's Functional Plan, the Oregon State Transportation Planning Rule, and Oregon State Land Use Goals. LUS reviews development proposals for compliance with the Zoning Code (as part of the building permit process); provides public information regarding zoning regulations; performs discretionary reviews of development proposals (the land use review process); and supports legally-mandated record-keeping and public notices.

LUS supports the Citywide goal to protect and enhance the natural and built environment.

LUS has two Key Performance Measures. First, the percentage of commercial new construction reviews completed within 20 days of application intake has increased from 77% in FY 2017-18 to 84% through the first half of FY 2018-19. This number is projected to decline to 70% in FY 2019-20. Second, the percentage of application completeness reviews completed within 14 days of application intake for Type II land use reviews has increased from 50% in FY 2017-18 to 80% in the first half of FY 2018-19. It is expected to decrease to 65% in FY 2019-20. Making progress in these areas contributes to the Portland Plan goal to ensure quality, affordable housing by minimizing delays in construction, thus reducing costs.

BDS also tracks the number of land use review and final plat applications, which has decreased significantly from 916 in FY 2016-17 to 775 in FY 2018-19. The number is projected to decline further to 610 in FY 2019-20.

Measure Title	PM 2016-17 Actuals	PM 2017-18 Actuals	PM 2018-19 YTD Actual	PM 2019-20 Target	Strategic Target
Number of medical bills	3,996	3,704	3,724	3,724	3,724
Percentage of Commercial Permit (New Construction) First Review done within 20 days of application intake	74%	77%	84%	70%	70%
Percentage of Type II Land Use Reviews - Application Completeness Review done within 14 days of application intake	37%	50%	80%	65%	65%

Explanation of Services

LUS's primary responsibility is to administer the requirements of the Portland Zoning Code (Title 33), which guides and limits development in Portland in order to meet the goals of the City's Comprehensive Plan. The services provided by LUS help ensure compliance with the State's structural, mechanical, plumbing, and electrical codes, as well as various City Code titles. This program promotes community health and safety by helping to ensure that residential structures and other installations meet all applicable code standards.

LUS staff guides applicants, citizens, and other governmental agencies through all phases of the development review process as they relate to zoning regulations. Zoning regulations are land use regulations and policies that implement community goals and protect community resources while guiding new development. Zoning regulations affect all new construction, most alterations, commercial occupancy changes, property line changes and most site development activity, including some tree cutting and landscaping.

Equity Impacts

LUS is tasked with administering City regulations related to zoning. These services are generally provided citywide as requested by customers. However, the neighbors of proposed development also feel the impacts of the development changes in their neighborhood and often participate in the land use review process by responding to notices mailed to their homes and businesses. A City Planner has been assigned to work with the BDS Equity and Policy Development Team to operationalize the 5-year Racial Equity Plan with the work of the Land Use Services Program, specifically related to their charge to administer the Portland Zoning Code.

Changes to Program

Since land use review is generally the first step in development projects, Land Use Services began to see a slowdown in work before other BDS programs. A hiring freeze has been in place for LUS since the beginning of 2018, and the bureau anticipates cutting approximately 11 staff positions from LUS in early 2019. The bureau is also reducing 11.0 budgeted FTE in this Requested Budget through the elimination of vacant positions. Further, BDS is reviewing its land use fee schedule to identify where increases may be needed in order to maintain cost recovery (BDS land use fees have not been increased in the last five years). The bureau intends to take a fee change proposal to City Council in February 2019.

Program Budget

	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
Bureau Expense				
External Materials and Services	246,186	319,360	363,836	316,934
Internal Materials and Services	1,003,532	1,346,889	1,570,522	281,559
Personnel	7,591,468	8,544,159	9,769,328	8,720,586
Sum:	8,841,186	10,210,409	11,703,686	9,319,079
	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
FTE	81.7	83.7	82.7	66.7
Sum:	81.7	83.7	82.7	66.7

- Resources:** Land Use Services is supported by revenue generated by fees and charges for services. This revenue can be divided into two categories, case review, and planning and zoning. Case review revenue is generated from services provided prior to permit application while planning and zoning is reviews take place after permit application. A portion of the services provided by Land Use Services are not revenue generating as the program reviews and supports the implementation of code amendment projects of the Bureau of Planning and Sustainability.
- Expenses:** Primary expenditures in Land Use Services are personnel related. A portion of the time spent is related to the review and implementation of code amendment projects brought forth by the Bureau of Planning and Sustainability.
- Staffing:** Due to declines in workload and revenues, BDS has imposed a hiring freeze through the end of 2019, and the bureau intends to cut approximately 11 FTE from the program in February 2019. The bureau is also reducing 11.0 budgeted FTE in this Requested Budget through the elimination of vacant positions. BDS does not anticipate adding positions to this program in the near future.
- Assets and Liabilities:** The bureau's key assets are the POPS Program (BDS's lone capital project) and the BDS vehicle fleet. BDS's 5-Year Financial Plan incorporates current and future costs for repair, renewal, and replacement of these assets. Costs for the vehicle fleet are assigned proportionally to the bureau programs that use fleet vehicles; costs for the POPS Program are assigned proportionally to all bureau programs.

Program Information

Bureau:	Bureau of Development Services	Program Contact:	Kim Tallant
Website:	https://www.portlandoregon.gov/bds/	Contact Phone	(503) 823-0977

Neighborhood Inspections

Program Description & Goals

The Neighborhood Inspections Program protects the health, safety, and welfare of Portland residents, prevents the deterioration of existing housing, and contributes to neighborhood livability by enforcing minimum standards for residential structures and exterior maintenance requirements on non-residential properties, outdoor areas, and adjacent rights-of-way.

The Compliance Services and Neighborhood Inspections programs together comprise the bureau's Property Compliance Inspections Division. The combined division includes Zoning Compliance, Landlord Training, Work without Permit, Dangerous Buildings, Signs & A-Boards, Nuisance, Housing, Derelict Buildings, Exterior Maintenance Requirements on non-Residential Structures, Chapter 13/Systematic Inspections, and Chronic Offenders. For budgeting purposes, Neighborhood Inspections is shown as a separate program.

The Neighborhood Inspections program supports the Citywide goals to protect and enhance the natural and built environment and to maintain and improve neighborhood livability.

Neighborhood Inspections' Key Performance Measure, the number of housing units brought up to code (including Enhanced Rental inspection pilot program) fluctuates from year-to-year. This number was 2,509 in FY 2016-17, 1,604 in FY 2017-18, and 1,119 through the first half of FY 2018-19. The number is projected to be 2,360 in FY 2019-20. Making progress in this area contributes to the Portland Plan goal to ensure quality housing and to equity goals in the City's Comprehensive Plan.

The number of nuisance properties cleaned up was 2,426 in FY 2017-18 and is projected to be 2,600 in FY 2019-20.

Measure Title	PM 2016-17 Actuals	PM 2017-18 Actuals	PM 2018-19 YTD Actual	PM 2019-20 Target	Strategic Target
Number of nuisance inspections	8,178	7,845	4,300	8,600	8,600
Number of housing and derelict buildings inspections	5,873	4,459	2,539	5,050	5,050
Number of housing units brought up to code as a result of Neighborhood Inspection Division efforts (includes enhanced inspection pilot beginning in 2010-11)	2,509	1,604	1,119	2,360	2,360
Number of properties cleaned up	2,381	2,426	1,321	2,600	2,600
Number of housing intakes	2,105	2,105	1,037	2,116	2,165
Number of nuisance intakes	4,148	4,275	1,915	4,232	4,330
Number of code enforcement fee waiver requests	700	360	171	324	324
Number of housing units inspected (includes enhanced inspection pilot beginning in 2010-11)	5,080	3,596	1,008	2,016	2,016

Explanation of Services

Neighborhood Inspections enforces the City’s Property Maintenance Code, which covers the maintenance of residential dwellings, accessory structures, and the land they occupy. More than just formal enforcement, program staff provides education and referrals to assist property owners toward the goal of better housing. It is important to note that while primary efforts are toward public safety, part of the mission is the protection of property and contributions to neighborhood livability.

Equity Impacts

Neighborhood Inspections is tasked with administering City Property Maintenance regulations and responding to requests for information from community members. These services are generally provided citywide as requested by community members.

However, Neighborhood Inspections also implements two programs targeted toward lower-income and/or underrepresented populations:

- The Extremely Distressed Properties Enforcement Program (EDPEP) targets properties not being maintained (often due to abandonment/foreclosures) and with chronic nuisance and housing conditions. These properties pose public health and safety hazards and encourage criminal activity such as trespass, vandalism, graffiti, drug use and sale, and prostitution. EDPEP uses the abatement, vacation, and demolition of property as a key tool, and relieves pressure on the Police Bureau and other City agencies. EDPEP also proactively monitors properties to ensure that conditions are maintained and pursues additional abatements to resolve any recurring conditions.
- The Enhanced Rental Inspection Program identifies rental properties that are chronically out of compliance with the City’s Property Maintenance Code and where cited repairs are not made in a timely manner. Resources are then directed toward conducting inspections of other units in the same complex that have potential violations. The program motivates landlords to provide and maintain safe and healthy rental housing while offering protection to vulnerable tenants who might fear retaliation by eviction for reporting substandard housing conditions. This program helps create equitable housing options for community members and provide safe, healthy housing conditions for the City’s low-income renters.

Changes to Program

All BDS programs are being impacted by the recent slowdown in development work and bureau revenues. A hiring freeze has been applied to all bureau programs through the end of 2019, the bureau has reduced non-priority expenditures, and other cost-saving measures are being explored.

As part of a significant bureau re-organization, Compliance Services and Neighborhood Inspections have been reorganized into a new Property Compliance Inspections Division (see organizational chart).

Program Budget

	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
Bureau Expense				
External Materials and Services	411,732	533,822	633,073	655,862
Internal Materials and Services	230,893	458,109	402,495	215,999
Personnel	2,106,929	2,306,768	2,767,042	3,176,820
Sum:	2,749,554	3,298,700	3,802,610	4,048,681
	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
FTE	22.48	26.1	32	27.77
Sum:	22.48	26.1	32	27.77

Resources: Neighborhood Inspections is supported from fees and charges for services, lien revenue, and limited General Fund monies.

Expenses: Primary expenditures in Neighborhood Inspections are personnel related as well as costs associated with nuisance abatement.

Staffing: Neighborhood Inspections includes 27.77 FTE for FY 2019-20, an increase from 22.48 FTE in FY 2016-17 and 26.1 FTE in FY 2017-18. BDS has imposed a hiring freeze through the end of 2019 due to declines in workload and revenues, and the bureau does not anticipate adding positions to this program in the near future.

Assets and Liabilities: The bureau's key assets are the POPS Program (BDS's lone capital project) and the BDS vehicle fleet. BDS's 5-Year Financial Plan incorporates current and future costs for repair, renewal, and replacement of these assets. Costs for the vehicle fleet are assigned proportionally to the bureau programs that use fleet vehicles; costs for the POPS Program are assigned proportionally to all bureau programs.

Program Information

Bureau: Bureau of Development Services
<https://www.portlandoregon.gov/bds/>

Program Contact: Beth Benton

Website: bds/

Contact Phone (503) 823-3349

Plan Review

Program Description & Goals

The Plan Review Program processes and approves building and mechanical permits for residential and commercial structures. Plans Examiners review building projects and provide general information on life safety, energy conservation, accessibility, and related building requirements. Staff helps permit applicants understand building codes and the review process in order to successfully obtain permits for their projects. Staff in the Engineering Plan Review Section reviews structural and mechanical plans to determine compliance with engineering requirements of the Oregon Structural and Mechanical Specialty Code. These reviews are required for any projects that have engineering components.

Organizationally, BDS’s Plan Review Services Division is composed of two Plan Review sections, Site Development, and Engineering Plan Review.

The Plan Review program supports the Citywide goal to protect and enhance the natural and built environment.

Plan Review has two Key Performance Measures related to building plan review, which is performed by staff from BDS and as many as five other City bureaus. In FY 2017-18, the City achieved its plan review turnaround goals 68% of the time for residential plans and 60% of commercial plans. Through the first half of FY 2018-19 these numbers are 62% and 61%, respectively. The bureau projects those numbers will increase to 65% for both residential plans and commercial plans in FY 2019-20. Making progress in these areas contributes to the Portland Plan goal to ensure quality, affordable housing by minimizing delays in construction, thus reducing costs.

Measure Title	PM 2016-17 Actuals	PM 2017-18 Actuals	PM 2018-19 YTD Actual	PM 2019-20 Target	Strategic Target
Percentage of residential plans reviewed by all bureaus within scheduled end dates	71%	68%	62%	65%	65%
Percentage of commercial plans reviewed by all bureaus within scheduled end dates	57%	60%	61%	65%	65%

Explanation of Services

The Plan Review Program is one of several BDS programs that helps fulfill the bureau’s obligation to administer the State building code program. The services provided under Plan Review ensure compliance with the State’s structural, mechanical, plumbing, and electrical codes, as well as various City codes. This program promotes community health and safety by helping to ensure that structures and other installations meet all applicable code standards.

Equity Impacts

Plan Review is tasked with administering State building codes and City regulations related to development. These services are generally provided citywide as requested by customers. Plan Review is partnering with other staff in assisting customers in our new equity-related programs, including the Cannabis Facilities Program, the Small Business & Arts Program, and the Permitting Solutions Program. These programs are all designed to better serve communities of color and other underserved communities.

Changes to Program

All BDS programs are being impacted by the recent slowdown in development work and bureau revenues. A hiring freeze has been applied to all bureau programs through the end of 2019, the bureau has reduced non-priority expenditures, and other cost-saving measures are being explored.

As part of a significant bureau re-organization, Plan Review has been made into a separate bureau division; it had previously been part of the Plan Review & Permitting Services Division with the Permitting Services section.

Program Budget

	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
Bureau Expense				
Capital Outlay	0	25,400	0	0
External Materials and Services	147,589	1,119,266	487,559	569,632
Internal Materials and Services	1,168,215	234,229	57,555	55,289
Personnel	8,671,905	9,852,387	7,167,102	7,817,476
Sum:	9,987,708	11,231,282	7,712,216	8,442,397
	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
FTE	47.41	101.92	55	54.7
Sum:	47.41	101.92	55	54.7

Resources: Plan Review is supported primarily by fees charged for life safety and engineering plan review. These fees are charged based on customer demand for services.

Expenses: Primary expenditures in Plan Review are personnel. Costs in Plan Review are allocated to the Building/Mechanical program.

Staffing: Plan Review includes 54.7 FTE for FY 2019-20, a slight decrease from 55 FTE in FY 2018-19. BDS has imposed a hiring freeze through the end of 2019 due to declines in workload and revenues, and the bureau does not anticipate adding positions to this program in the near future.

Assets and Liabilities: The bureau's key assets are the POPS Program (BDS's lone capital project) and the BDS vehicle fleet. BDS's 5-Year Financial Plan incorporates current and future costs for repair, renewal, and replacement of these assets. Costs for the vehicle fleet are assigned proportionally to the bureau programs that use fleet vehicles; costs for the POPS Program are assigned proportionally to all bureau programs.

Program Information

Bureau: Bureau of Development Services

Program Contact: Doug Morgan

<https://www.portlandoregon.gov/>

Website: bds/

Contact Phone (503) 823-5824

Site Development

Program Description & Goals

The Site Development Program includes plan review for geo-technical, flood plain, grading, private street, and site preparation issues, as well as erosion control requirements on private property. Staff reviews all applicable land use cases, identifying any land suitability issues and conditions. Field staff performs all related inspections, including those required by the Trees and Landscaping requirements for Titles 10 and 33 of the City of Portland Code and all required erosion control measures. Organizationally, Site Development is part of BDS's Plan Review Services Division, along with two Plan Review sections and Engineering Plan Review.

The Environmental Soils subprogram works with property owners who have subsurface sanitary systems in need of repair, replacement, or decommissioning as the City provides public sanitary systems for their use. The City Sanitarian is located in this subprogram.

Site Development supports the Citywide goal to protect and enhance the natural and built environment.

A primary performance measure for Site Development is the number of working days from site development plan submittal to the first review. This number has improved from 10.65 days in FY 2017-18 to 7.38 days in the first half of FY 2018-19. The strategic target for this measure is 7.0 days.

A handful of workload measures are also tracked. The number of site development plan reviews performed is projected to decrease from 4,339 in FY 2017-18 to 4,000 in FY 2019-20. The number of Site Development permit inspections performed is at 256 for the first half of FY 2018-19, on track for over 500 for the fiscal year. This is expected to decrease to 460 in FY 2019-20.

Measure Title	PM 2016-17 Actuals	PM 2017-18 Actuals	PM 2018-19 YTD Actual	PM 2019-20 Target	Strategic Target
Number of site development plan reviews	4,338	4,339	2,047	4,000	4,000
Average number of working days to first review	10.58	10.65	7.32	7.00	7.00
Number of site development permit inspections	268	426	256	460	460
Number of site development land use cases reviews	1,074	939	474	900	900
Number of sanitation permits and evaluations issued	485	523	273	500	500

Explanation of Services

The Site Development Program helps fulfill BDS's obligation to administer various City Code titles related to development sites and subsurface sanitary systems. The services provided under Site Development ensure compliance with these codes and protects community health and safety.

Equity Impacts

Site Development is tasked with administering City regulations regarding site-related issues. These services are generally provided citywide as requested by customers and in that sense are reactionary.

Changes to Program

All BDS programs are being impacted by the recent slowdown in development work and bureau revenues. A hiring freeze has been applied to all bureau programs through the end of 2019, the bureau has reduced non-priority expenditures, and other cost-saving measures are being explored. Site Development's workload has not yet been affected by the slowdown, but the impact will likely be felt in the next 12-18 months.

- **Dust and Site Control Requirements in Residential Demolitions**

Oregon Senate Bill 871 allows local jurisdictions to adopt regulations to mitigate the impacts of asbestos and lead-based paint in residential demolition. On July 1, 2018, the City Council established regulations (Portland City Code 24.55.205) and tasked BDS with implementation and enforcement. This work is performed by staff in the Property Compliance Inspections Division, with financial support from the Site Development Program.

- **Environmental Soils Program Deficit**

Multnomah County and the City have an intergovernmental agreement that gives BDS responsibility for the County's subsurface sewage program. BDS performs this work and is compensated with revenues that the bureau collects from permit fees for this program. The Board of County Commissioners sets the fees, and no additional compensation is given to the City for this work.

Since the end of the Mid-County sewer hookup program in 1998, revenues have dropped substantially in this program. Fee increases have been implemented several times since 1999, but the program still has a significant reserve deficit. In 2005, the City Council agreed to inflationary fee increases until the reserve deficit is paid off. The Board of County Commissioners voted to raise fees by 10% in FY 2012-13 and agreed to 10% fee increases per year for the subsequent four years. A 10% fee increase in FY 2016-17 marked the final year of that agreement. The current forecast projects that the deficit should be eliminated by FY 2018-19.

Program Budget

	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
Bureau Expense				
External Materials and Services	79,028	48,455	94,178	100,306
Internal Materials and Services	90,571	43,616	60,125	63,018
Personnel	2,319,943	2,249,965	1,888,612	2,547,068
Sum:	2,489,542	2,342,036	2,042,915	2,710,392
	2016-17 Actuals	2017-18 Actuals	2019 Revised Budget	2019-20 Request - V52 -No DP
FTE	12.2	14.26	19	19.05
Sum:	12.2	14.26	19	19.05

Resources: Site Development is supported by revenue generated by fees and charges for services.

Expenses: Primary expenditures in Site Development are personnel related.

Staffing: Site Development includes 19.05 FTE for FY 2019-20, an increase from 12.2 FTE in FY 2016-17 and 14.26 FTE in FY 2017-18. BDS has imposed a hiring freeze through the end of 2019 due to declines in workload and revenues, and the bureau does not anticipate adding positions to this program in the near future.

Assets and Liabilities: The bureau's key assets are the POPS Program (BDS's lone capital project) and the BDS vehicle fleet. BDS's 5-Year Financial Plan incorporates current and future costs for repair, renewal, and replacement of these assets. Costs for the vehicle fleet are assigned proportionally to the bureau programs that use fleet vehicles; costs for the POPS Program are assigned proportionally to all bureau programs.

Program Information

Bureau: Bureau of Development Services
<https://www.portlandoregon.gov/bds/>

Program Contact: Doug Morgan

Contact Phone (503) 823-5824

City of Portland
Bureau of Development Services
Performance Measures

Run Date: 2/2/19
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	Performance Measure	KPM	Measure Type Name	FY 2016-17 Actuals	FY 2017-18 Actuals	FY 2018-19 YTD Actuals	FY 2019-20 Target	Strategic Target
DS_0001	Number of Commercial Inspections	NO	WORKLOAD	60,030	65,892	34,426	60,000	60,000
DS_0002	Number of commercial inspections per day, per inspector	YES	EFFICIENCY	13.35	13.70	11.40	12.00	14.00
DS_0003	Percentage of commercial inspections made within 24 hours of request	NO	EFFICIENCY	83%	87%	93%	92%	95%
DS_0004	Number of enforcement cases prepared and presented to code hearings officer	NO	WORKLOAD	1	2	0	2	2
DS_0005	Number of zoning code violation statistics (cases, inspections, and letters)	NO	WORKLOAD	5,626	5,121	2,174	4,348	5,000
DS_0006	Number of home occupation permits issued	NO	WORKLOAD	106	112	59	110	110
DS_0007	Number of properties assessed code enforcement fees	NO	WORKLOAD	377	270	143	290	290
DS_0008	Number of Residential Inspections	NO	WORKLOAD	117,675	125,254	56,823	92,000	92,000
DS_0009	Number of inspections per day, per inspector	YES	EFFICIENCY	26.98	26.46	23.41	25.00	28.00
DS_0011	Number of inspection trips reduced due to multi-certified inspectors	NO	EFFICIENCY	19,130	19,196	8,777	18,000	19,000
DS_0012	Number of Land Use Review and Final Plat Applications	NO	WORKLOAD	916	775	318	610	610
DS_0016	Number of nuisance inspections	NO	WORKLOAD	8,178	7,845	4,300	8,600	8,600
DS_0017	Number of housing and derelict buildings inspections	NO	WORKLOAD	5,873	4,459	2,539	5,050	5,050
DS_0018	Number of housing units brought up to code as a result of Neighborhood Inspection Division efforts (includes	YES	OUTPUT	2,509	1,604	1,119	2,360	2,360
DS_0019	Number of properties cleaned up	NO	OUTPUT	2,381	2,426	1,321	2,600	2,600
DS_0020	Number of issued commercial building permits	NO	WORKLOAD	3,431	3,363	1,639	3,100	3,100
DS_0021	Number of issued residential building permits	NO	WORKLOAD	6,820	6,832	3,013	5,900	5,900
DS_0022	Total number of issued commercial and residential building permits	NO	WORKLOAD	10,251	10,195	4,652	9,000	9,000
DS_0023	Number of electrical permits	NO	WORKLOAD	19,131	19,066	8,076	15,800	15,800
DS_0024	Number of mechanical permits	NO	WORKLOAD	11,203	11,913	5,938	11,700	11,700

City of Portland
Bureau of Development Services
Performance Measures

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DS_0025	Number of plumbing permits	NO	WORKLOAD	11,016	11,123	5,260	10,400	10,400
DS_0026	Number of sign permits	NO	WORKLOAD	733	835	415	780	780
DS_0027	Percentage of building permits issued over the counter the same day as intake	NO	EFFICIENCY	54%	52%	48%	55%	56%
DS_0028	Percentage of pre-issuance checks completed within two working days of last review approval	YES	EFFICIENCY	62%	70%	72%	72%	80%
DS_0031	Number of site development plan reviews	NO	WORKLOAD	4,338	4,339	2,047	4,000	4,000
DS_0032	Average number of working days to first review	NO	EFFICIENCY	10.58	10.65	7.32	7.00	7.00
DS_0034	Percentage of residential plans reviewed by all bureaus within scheduled end dates	YES	EFFICIENCY	71%	68%	62%	65%	65%
DS_0035	Percentage of commercial plans reviewed by all bureaus within scheduled end dates	YES	EFFICIENCY	57%	60%	61%	65%	65%
DS_0040	Number of housing intakes	NO	WORKLOAD	2,105	2,105	1,037	2,116	2,165
DS_0041	Number of nuisance intakes	NO	WORKLOAD	4,148	4,275	1,915	4,232	4,330
DS_0042	Number of code enforcement fee waiver requests	NO	WORKLOAD	700	360	171	324	324
DS_0043	Number of code enforcement fee waivers granted	NO	OUTCOME	682	343	120	240	240
DS_0044	Number of housing units inspected (includes enhanced inspection pilot beginning in 2010-11)	NO	WORKLOAD	5,080	3,596	1,008	2,016	2,016
DS_0045	Number of site development permit inspections	NO	WORKLOAD	268	426	256	460	460
DS_0046	Number of site development land use cases reviews	NO	WORKLOAD	1,074	939	474	900	900
DS_0047	Number of sanitation permits and evaluations issued	NO	WORKLOAD	485	523	273	500	500
DS_0048	Number of construction code violation cases	NO	WORKLOAD	333	276	81	150	150
DS_0050	Percentage of Commercial Permit (New Construction) First Review done within 20 days of application intake	YES	EFFICIENCY	74%	77%	84%	70%	70%
DS_0051	Percentage of Type II Land Use Reviews - Application Completeness Review done within 14 days of	YES	EFFICIENCY	37%	50%	80%	65%	65%

Directive to Develop

Issue Title: City Development Review Strategic Plan

Council member(s) Issuing Direction: Mayor Wheeler

Bureau(s) Directed: Bureau of Development Services, Bureau of Environmental Services, Portland Fire & Rescue, Portland Housing Bureau, Portland Parks & Recreation, Portland Water Bureau, Portland Bureau of Transportation

Issue Overview and Desired Goal/Outcome(s): The City's development review process is complex and involves a coordinated review by seven City agencies for compliance with over a dozen local, State and Federal requirements. These factors, combined with the development team's experience, project complexity, permitting workload, City processes, and City staffing levels can result in review times exceeding goals and customer frustration. The Bureau of Development Services (BDS) is responsible for the coordination and monitoring of the development review process, but the overall process performance is shared by each of the interagency (IA) partners, as well as the applicant and their design team.

Multiple business process and IT improvements (POPS) are currently underway to speed up the permitting process. In addition, BDS is updating its development services agreements (memorandums of understanding - MOU) with partner bureaus, which outline regulatory obligations, performance goals, roles and responsibilities related to the development review process, and future improvements necessary to fully meet the terms of the MOUs. These efforts have exposed an immediate need to develop a shared set of City development review values and goals, and a governance structure for decision-making and prioritizing business and/or technology changes. Currently, competing or undefined goals among Bureaus makes it difficult and time-consuming to determine if and when projects should move forward, in a way that has more equitable support and investment between bureaus. A strategic plan will reduce conflict and associated time involved in determining which projects to pursue and how they are prioritized.

To meet this need, the following is directed to establish and implement a City development review strategic plan:

1. Establish a City development review strategic plan steering committee made up of three (3) Bureau Directors and four (4) managers from the Bureaus responsible for the City's development review process. Each Bureau should have at least one representative and the steering committee will be led by the BDS Director or delegate. The steering committee will be responsible for setting the scope and schedule of the strategic plan and resolution of issues related to the process to establish and implement the strategic plan.
2. Under the guidance of the steering committee, BDS will lead the procurement and management of a private consultant to develop and document:
 - a. A shared set of values, goals and objectives for the City's development review process. The values, goals and objectives must balance the need to improve service levels while maintaining compliance with local, State and Federal regulatory obligations.

- b. A governance structure and process, utilizing the outcome of 2.a, above, for the identification and prioritization of business processes, programs, services and/or technology changes.
 - c. Development review process service level goals and necessary funding to meet goals, including service continuity plans through the cyclical fluctuations of construction activity.
- 3. Complete a Report to Council and request approval of the City development review process strategic plan.

Funding Options: \$60K in new General Fund one-time resources

Additional Requests/Notes: None

Directive to Develop

Issue Title: **BDS Land Use Services Code Amendments, Process Improvements, Customer Training, and Public Information**

Council member(s) Issuing Direction: Mayor Wheeler

Bureau(s) Directed: Bureau of Development Services (BDS)

Issue Overview and Desired Goal/Outcome(s): The Land Use Services (LUS) Division of BDS is funded entirely by fee revenue. The LUS Division is experiencing a reduction in fee revenue as a result of receiving fewer applications for large commercial projects, which typically fund much of this program. Fee revenue has dropped more drastically than workload levels, including the portion of the workload that does not generate any direct fees for service, such as customer training, process improvement work, subject matter expert work in reviewing and suggesting edits to BPS proposed zoning code changes.

Starting in FY 2016-17, the LUS Division began to draw off reserves in some months to support services. In FY 2017-18 the monthly draw on reserves became consistent and has increased significantly in FY 2018-19. While revenues have decreased, workload has not declined at the same rate. The number of staff reductions required to extend our reserve balance further or achieve cost recovery would result in the delay of process improvement projects. The LUS Division is directed to develop a decision package for review of code amendment projects, internal process improvement, customer training, and public information:

Review of Code Amendment Projects – Total of \$420,000

- Review of Bureau of Planning and Sustainability code amendment projects, such as:
 - DOZA/Design Review code improvements – \$75,000
 - DOZA/Design Review process improvements – \$110,000
 - Residential Infill Project – \$65,000
 - Better Housing by Design – \$65,000
 - Historic Resource Code Project – \$105,000

BDS Process Improvements – Total of \$635,000

- Working with POPS team on inclusion of LUS division applications (Land Use Compatibility Statements and Tier 1 Bank Letters) – \$100,000
- Services on ePlans and PDX Hub for online submittal and review – \$340,000
- Sign permit process improvements – \$195,000

Customer Training – \$10,000

- Customer training and outreach addressing how to prepare complete applications so that our customers can benefit from a faster review process with minimal delays

Public Information – Total of \$135,000

- Public information to assist customers in getting through the permitting process and land use reviews, such as:
 - Brochures and printed materials (Sample Arborist Report/Title 11 Worksheets; Private Streets; Landscaping Standards; Height and Bonus Options; FAR Info Guides; Design Review Solutions Handouts for Replacing Windows, Adding Dormers, Rooftop mechanical, Signs, and ADUs; Design Review Procedures and Examples; and examples of how to meet design review guidelines) – \$55,000
 - Website (update content on Non-Conforming Situations, Adjustment Reviews, Conditional Use Reviews, and Environmental Zones) – \$55,000
 - Videos (Type B Accessory Short-Term Rental Reviews, presentation and video to affordable housing organizations on design review processes, and applicant presentations on the design review process) – \$25,000

Funding Options: \$1.2 million in new General Fund one-time resources:

- **Review of Code Amendment Packages** – \$420,000
- **BDS Process Improvements** – \$635,000
- **Customer Training on Complete Applications** – \$10,000
- **Public Information** – \$135,000

Additional Requests/Notes: Over the years several Land Use Services fees were set intentionally below cost recovery for policy reasons. For example, in consideration of there being public benefits from some services which result in historic resource preservation and environmental protection, avoiding financial disincentives to customers in seeking early assistance, keeping fees low for low-value projects to help avoid people doing work without required review and approvals, etc. On-going general fund money was provided to subsidize the cost of those services to the public. However, over the years the amount of general fund money provided to LUS has reduced, with elimination of general fund to LUS in FY 17-18.

Decision Package Summary

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Details

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DP: 7678 - City Development Review Strategic Plan**DP Type****Priority****New**

ADD

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Yes

Package Description

This decision package is requested to establish and implement a City development review strategic plan. The City's development review process is complex and involves a coordinated review by seven City agencies for compliance with over a dozen local, State and Federal requirements. These factors, combined with the development team's experience, project complexity, permitting workload, City processes, and City staffing levels can result in review times exceeding goals and customer frustration. The Bureau of Development Services is responsible for the coordination and monitoring of the development review process, but the overall process performance is shared by each of the interagency partners, as well as the applicant and their design team. Currently, competing or undefined goals among Bureaus makes it difficult and time-consuming to determine if and when projects should move forward, in a way that has more equitable support and investment between bureaus. A strategic plan will reduce conflict and associated time involved in determining which projects to pursue and how they are prioritized.

Service Impacts

A shared strategic plan among development bureaus will provide directly to bureaus in becoming cohesively aligned. This effort will impact service levels to the public by progressing towards consistent policies, procedures, and processes across interagency partners.

Equity Impacts

In the development of a strategic plan, the Bureau of Development Services and its interagency partners will need to approach the planning from a variety of angles, including an examination of the equity impacts.

Budget Detail

Fund			2019-20 CBO			2019-20 Adopted
	2019-20 Request	2019-20 Request	Recommended-	2019-20	2019-20	2019-20 Adopted
	- V52 with DP	- V52 with DP	V53	Proposed-V53	Approved - V54	- V55
Major Object Name		Expense				
203000	External Materials and Servi	60,000	0	0	0	0
		60,000	0	0		0
Major Object Name		Revenue				
203000	Fund Transfers - Revenue	60,000	0	0	0	0
		60,000	0	0		0
		0	0	0		0

Decision Package Summary

Run Date: 1/31/19

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Details

Run Time: 6:58:20 PM

DP: 7679 - BDS Land Use Services General Fund**DP Type****Priority****New**

ADD

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Yes

Package Description

This decision package is to request General Fund monies necessary for the review of code amendment projects, internal process improvement, customer training, and public information projects at a time where Land Use Services is experiencing decreased revenue from fees and charges for services. Land Use Services provides many services which have a public benefit, but for which the program is unable to collect fee revenue. The program used to receive General Fund for these services, but this support was eliminated in FY 2017-18.

Service Impacts

This package will affect services in areas for which Land Use Services is unable to collect fee revenue, but for which there is public benefit. Without General Fund revenue, this may result in service level decreases and delays.

Equity Impacts

Funding for public information, outreach and customer training allows BDS to reach members of the community not typically involved in the review process, who may have interest in development.

Budget Detail

Fund		2019-20 Request - V52 with DP	2019-20 CBO Recommended- V53	2019-20 Proposed-V53	2019-20 Approved - V54	2019-20 Adopted - V55
	Major Object Name	Expense				
203000	Contingency	1,200,000	0	0	0	0
		1,200,000	0	0		0
	Major Object Name	Revenue				
203000	Fund Transfers - Revenue	1,200,000	0	0	0	0
		1,200,000	0	0		0
		0	0	0		0