



City of Portland, Oregon
Bureau of Development Services
Office of the Director
FROM CONCEPT TO CONSTRUCTION

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MEMORANDUM

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To: BDS Budget Advisory Committee (BAC)
BDS Employees
BDS Labor Management Committee (LMC)
Development Review Advisory Committee (DRAC)

From: Rebecca Esau, Director

Subject: Bureau of Development Services Director's Priorities for Fiscal Year 2023-24

As we begin work on the Bureau of Development Services (BDS) budget for Fiscal Year (FY) 2023-24, this memorandum articulates my priorities for the bureau, some of which will require additional funding, necessitating a budget request. Although there are many BDS improvement projects and programs worthy of additional General Fund support, due to the great demand across City bureaus on the General Fund, it is prudent to prepare for how we can advance our work with limited support from the General Fund and focus our requests on the greatest needs. This memorandum is intended to establish our focus areas for the coming fiscal year, and guide both the prioritization of workplan projects and the development of the bureau's budget requests.

Five Focus Areas

Over the last several years, I've consistently focused our efforts in five areas. These five focus areas continue to drive our improvement efforts and resource allocation:

1. Engaging with Black, Indigenous, people of color, and disability communities to provide a culturally relevant response to their needs. Achieving effective outcomes associated with equitable program offerings and services. Examples include ongoing engagement to identify and address barriers to accessing services while also providing inclusive involvement in the design of new online customer interfaces.
2. Achieving fiscal sustainability and workforce stability despite economic fluctuations. Our workforce is both our largest annual expenditure as well as our greatest resource. It is imperative that we manage our financial resources to ensure we can maintain this workforce through economic downturns. In doing so, we are well-positioned to deliver services as the economy recovers.
3. Improving performance management and achieving service delivery results. Our ability to deliver efficient, timely, and quality services impacts the production of affordable housing as well as the recovery of the local economy.

4. Investing in the bureau's workforce and culture to improve both the customer experience and employee morale. This involves growing a continuous improvement culture, continued investment in customer service skills and professional development, and the ability to attract and retain top-notch employees through equitable hiring and retention policies and strategies.
5. Acting on climate change. This includes steps such as transitioning to electric vehicles and streamlining the permitting process for solar installations.

Top Six Priorities

The bureau currently has multiple improvement projects running simultaneously. Some are limited to organizational units within the bureau, some are bureauwide projects and some are larger-scale projects that include our development review partner bureaus. As we prepare our budget request, it is critically important to identify the bureau's top priorities, which in combination with each other, will make significant improvements in the services we provide.

My top six priorities are listed below. I've also indicated where additional resources are needed.

#	Priority	Resources Needed
1	<p>Technology - Increase capacity with technology projects to accelerate progress in building the City's online permitting systems and supporting process improvements.</p> <p><u>Some of the major technology projects that are needed include:</u></p> <p>A. <u>Improve the permit corrections process</u> - Improve the process and interface for customers submitting corrections and the City's processing of those corrections.</p> <p>B. <u>Expand use of ProjectDox software</u> (digital plan review software) - Create the additional workflows needed in ProjectDox software so we can use it for more permit/project types.</p> <p>C. <u>Create new user interfaces in DevHub</u> (the online permitting portal) using the solar permit interface as a model, so it walks the permit applicant through a series of steps based on how they answer questions about their project. This will help the customer apply for the right permit type and ensure the reviewers get the information they need at the time of application submittal.</p> <p>D. <u>Fix the addressing system</u> in collaboration with stakeholders (Multnomah County, USPS, Bureau of Emergency Communication, and Portland Fire & Rescue). This project requires technology improvements, coordination, and process streamlining.</p> <p>E. <u>Develop systems that make communications with customers easier</u>, including:</p> <ul style="list-style-type: none"> o Automated tools to gather real time feedback from customers; o A "chat" function to allow online customers to access help in real time during business hours; and o Automated messages to give customers information they need to guide them at key points in the process, as well as making the process more transparent. <p>F. <u>Design and implement the technology support needed to gather, analyze and store demographic data</u> (#4 below).</p>	Additional personnel

	<p>G. <u>Incorporate accessibility into technology project planning and development</u>, including but not limited to translation and accessible online design.</p> <p>H. <u>Improve the performance dashboards and data that supports them</u> for both internal and external use, so we can get reliably accurate and complete data. This is essential to monitor results of improvement initiatives, as well as to identify and address pinch points in real time.</p>	
2	<p>Neighborhood Inspections Program Financial Sustainability - In Fiscal Year 2022-23 Adopted Budget, there was a budget note directing the bureau to assess the ongoing funding needs for the Neighborhood Inspections Program, as well as the tradeoffs and programmatic impacts of not providing additional discretionary General Fund resources to subsidize program operations, and to report back to the Mayor and Council by December 2022 so the bureau may request resources in the FY 2023-24 budget development as needed. The budget note, the issues and concerns identified in the 2021 Ombudsman Report, and the Mayor's priorities on revitalization of Portland have been used as guidance for the above assessment.</p>	Additional resources needed to maintain existing service levels
3	<p>Single Point of Contact - Expand services to provide a single point of contact for customers, for example:</p> <ul style="list-style-type: none"> Expand the BDS Process Management program which provides a Process Manager through the key milestones of a project, from early design phases through permitting and inspections. Implement a single point of contact approach for customers who would benefit from a permitting Technician serving as their point of contact through the permitting process. 	Additional personnel
4	<p>Racial Equity Implementation - Adopt and implement a new, one-year Racial Equity Plan for the bureau with an emphasis on outcomes for our customers and all Portlanders.</p>	Existing resources
5	<p>Demographic Data and Analysis - Gather baseline demographic data that can be disaggregated by race, ethnicity, and disability to better understand who is utilizing BDS services and where gaps exist. Use a variety of methods to gather data on the experience and needs of customers. Explore and address root causes for community members not utilizing BDS services so we can bridge those gaps and achieve better outcomes.</p>	Existing resources
6	<p>Tailor Services to Meet Customer Needs - Continue to develop services tailored to better meet customer needs, for example, currently, work is being done with the solar industry to meet their specific needs. Other measures include:</p> <ul style="list-style-type: none"> Building the Performance Analytics & Continuous Improvement (PACI) Team, which is a team intended to monitor our dashboards for issues and trends, lead process improvement work and coordinate on other steps, such as outreach, training or technology improvements needed to address problem areas. Building the BDS Customer Success Team (in coordination with the Front Desk Admin. Team) so customers have a single portal to go to for assistance. <p>This includes re-thinking how services are provided, as well as steps we can take in interacting with customers to help them avoid costly surprises, remove barriers, and improve transparency and efficiency to better meet customer needs.</p>	Existing resources

Context

The 2020 pandemic set off waves of impacts globally, nationally, and locally, with physical and mental health issues, supply chain disruptions, labor shortages, price increases, the loss of many small businesses, education challenges, a reduction in tourism and other changes to the economy, which in turn reduced tax and license revenues needed to support local services. All of this impacted racial groups differently, disproportionately affecting Black, Indigenous and People of Color (BIPOC) communities, and worsening existing disparities.

The start of the pandemic was a significant point of change globally, and it occurred in the broader context of accelerating climate change, which provided a real-world experiment for how and where traditional office employees work and provide services to their customers. For example, in a variety of studies during the pandemic when many office workers were working remotely, travel behavior changed, and greenhouse gas emissions were drastically reduced due to a reduction in vehicle trips. Many companies continue to wrestle with what their policies should be regarding in-person office work, considering factors such as climate action, equity, and employee work-life balance, as they seek to stay competitive in a changing job market.

At BDS, we are not pursuing a return to “how it used to be” before the pandemic as there is a lot we can and should be doing differently. We are in a different time and much has changed. We are using this opportunity to continue to define a new, improved “normal” to pro-actively adapt to better meet current and future customer needs, with a focus on BIPOC communities. We are at a transition point that presents an opportunity to re-design our systems and centering the needs of the BIPOC and disability communities in those projects will create better outcomes for everyone. To that end, we’ve recently hired a Community Engagement Coordinator to support the bureau in establishing and maintaining relationships with culturally specific communities. Our goal is to support ongoing dialogue to ultimately achieve improved outcomes, particularly where our bureau’s services can impact BIPOC wealth generation, small business success, safe housing for low-income tenants, a reduction in “work without permits”, and other benefits.

We serve the whole community and customer needs vary, so we need to provide services in a variety of ways to meet those diverse needs. For example, although we are developing our online permitting services, it will never be the only way to access those services. Online permitting makes our services more accessible to some customers who in the past weren’t able to travel downtown during the workday for various reasons. Additionally, many of our customers expect to be able to access our services online. However, not all customers are best served by those online services, so we will continue to offer a variety of in-person services via appointment. We will also explore other ways to make our services more accessible, including in-person services at locations other than the Development Services Center.

When thinking about context, it’s important to note that most of the bureau’s work is related to reviewing proposed developments and then permitting and inspecting those projects. The

review of proposed developments and issuance of permits are services that are not just provided by BDS. These efforts can also involve up to six additional bureaus, depending on the project:

- Portland Bureau of Transportation (PBOT)
- Bureau of Environmental Services (BES)
- Portland Water Bureau (PWB)
- Portland Parks and Recreation (PP&R)
- Portland Fire and Rescue (PF&R) and
- Portland Housing Bureau (PHB).

The complexity and volume of work across BDS and our partner Bureaus above to design and build new online permitting services and work to adopt initial technology and business process changes was significant. There is still much more work to be done to streamline processes, enhance existing online functionality and expand technology platforms to better meet customer needs while creating efficiencies for staff time. As we head into Fiscal Year 2023-24, it is absolutely necessary to accelerate our progress in designing and implementing the City's new online permitting systems by making a substantial investment in resources.

Prior to the pandemic, we began the transition from paper to online permit submittals and digital plan review. We planned to roll out this change using a phased approach. However, the pandemic hit, and we had to set up temporary systems immediately to be able to continue serving customers online. These systems were intended to just get us through the crunch, until we could build better systems. They are inefficient: they involve many manual steps for staff, they lack transparency for the customer, they are not user-friendly, and they result in frustration and delay for customers.

We have been using these temporary technology systems out of necessity and have gradually been building the more permanent systems. We made some incremental improvements to the online customer interface (DevHub), improvements to internal processes, updated our website, implemented a system to provide quick review of simple permits, and provided new services such as free 15-minute appointments offered virtually and in-person.

Progress on building the more permanent systems has been limited due to a lack of personnel resources in the BDS Technology, Training and Continuous Improvement (TTCI) Division. Many of the customer frustrations stem from the temporary technology solutions that are in place. For example, the current system to submit corrections to plans is confusing and different than how the initial permit is submitted, and in many cases relies on many manual steps for staff such as emailing links to an online drop-box to customers, and different processes for different types of submittals. The vision for our online services is to utilize DevHub as the primary online portal for customers to submit permit applications, corrections and payments of fees, and to tailor that interface so that it uses conditional logic to walk the customer through the steps in

the permit application process based on the type and scope of the project they are trying to get permitted.

Customer frustration largely traces back to the root cause of technology, specifically the need for more efficient, user-friendly online permitting services. This is one of the biggest issues the City faces. This is not solely a BDS problem....it is a Citywide problem with impacts to partner bureaus in the development review process, all permitting customers, and the larger Portland community. The predictability and ease of Portland's permitting processes directly impacts the pace and extent to which the local economy will recover.

We have to invest in expanding capacity to accelerate progress with the technology projects that will deliver streamlined, user-friendly online permitting systems as a critical component of Portland's economic recovery efforts.

Influencing Factors

There are many factors influencing my priorities for the bureau, including the context above as well as the 2021 Building Permit Review Audit, the Permitting Improvement Task Force's work, City Council's resolution on housing production, and my daily work interacting with employees and customers. Several themes have come up repeatedly, and it is clear to me that the priorities I identified are responsive to what we are hearing regarding our most critical needs. Some of the factors considered include:

- City Council's shared priorities which are interwoven with equity and climate justice: houselessness, economic recovery, and community safety.
- City of [Portland's Six Core Values](#) of anti-racism, equity, transparency, communication, collaboration, and fiscal responsibility
- The findings of the [Building Permit Review Audit](#) published March 23, 2021, which was the impetus for several improvement initiatives, including Commissioners Ryan and Mapps' [Permitting Improvement Task Force](#).
- The Permitting Improvement Task Force led to a [customer survey](#) in July 2022 about how customers experience preparing and submitting a permit application and the results of the survey largely focused on process and customer service issues, many of which have a root cause related to needed technology projects to transition from our temporary technology systems to how the system needs to function.
- [City Council's Resolution](#) on affordable housing production
- Ongoing input from the Development Review Advisory Committee (DRAC), employees, Commissioner Ryan, and many other community members.

I appreciate your involvement in our budget planning process, and your ideas and perspectives. I hope this memorandum provides food for thought and further discussion. I look forward to working with you to develop our budget for the next fiscal year and to continue making substantial improvements to the bureau and our services to the community.