



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

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September 30, 2013

**TO:** Sara Lowe, City Budget Office

**FROM:** Paul L. Scarlett, Director *PLS*  
Bureau of Development Services

**SUBJECT:** Budget Monitoring Report – Fall 2013-14

Attached is the Fall 2013-14 Budget Monitoring Report for the Bureau of Development Services.

The economy and the development industry have continued to recover from the recession, and BDS has been struggling to keep up with the resulting growing workload. Along with the workload, permit and land use revenues have remained strong in FY 2012-13 and FY 2013-14, continuing a trend that began in FY 2011-12. In response, BDS has been gradually adding back some of the staff that was lost during the recession. The bureau is requesting to amend its budget and reallocate resources in order to better manage the increased workload and customer demands for services.

The report includes the following requests:

**DS\_01. Rent Payments to BDS**

The interagency agreement with the Water Bureau to make rent payments to BDS needs to be increased by \$2,227 to account for additional parking spaces requested by the Water Bureau.

**DS\_02. COPPEA Professional Development Fund**

This requests an adjustment of \$12,689 for the bureau's share of the COPPEA Professional Development Fund budget.

**DS\_03. Adjustment to IA with City Fleet**

This request makes an adjustment of \$280,000 to the interagency agreement with City Fleet in order to carry over an appropriation for new vehicles from FY 2012-13 to FY 2013-14. New vehicles were originally budgeted in FY 2012-13, but due to late delivery of the vehicles BDS needs to carry over the budget for the vehicles to FY 2013-14. New cars are necessary to accommodate new inspector positions added in FY 2012-13. Approval of this request meets the requirements of Resolution 35960 requiring City Council approval of leases, upgrades to replacements, and new vehicle additions.

#### **DS\_04. Bureau of Technology Services Cash Transfer**

This requests a cash transfer in the amount of \$9,141 from the Bureau of Technology Services (BTS) associated with the IBM Frame Replacement Project. The IBM Frame Replacement Project was essentially completed and BTS was able to bring the project in materially under budget. As a result BTS is transferring the unspent amount back to participating bureaus, including BDS's portion of \$9,141.

#### **DS\_05. BDS Additional Positions**

Since FY 2011-12, BDS has experienced increasing workloads as the national economy and the local construction industry have gradually recovered from the recession. The bureau has been slowly adding back FTE that were cut during the recession in order to restore services and respond to the workload. Positions were added in FY 2011-12 and FY 2012-13. 14 additional FTE were included in BDS's FY 2013-14 Adopted Budget.

However, the pace of construction has recently been accelerating, and it has become clear that several FTE are needed in frontline positions in order to meet demands for services and not hinder ongoing economic recovery in Portland.

Along with addressing workload increases, adding these positions will allow for an expansion of services in the Development Services Center (DSC), slated for Spring 2014. BDS customers have long advocated for expanded services in order to better meet their needs.

#### **Staff Additions**

BDS is requesting 15 FTE (\$740,424 in personnel costs for 8 months), including:

#### **Administrative Services Division and Director's Office (4 FTE)**

- 1.0 Senior Administrative Specialist  
This position will help to support and coordinate outreach, recruitment, and selection, as well as orienting and on-boarding new hires. The volume of work related to hiring employees at the bureau will continue to be significant, as a large percentage of BDS staff is eligible to retire immediately, and an even greater percentage will be eligible within the next five years. Additionally, this position will help to support the strategic plan's objectives for increasing the training, cross-training, and effectiveness of employees in all workgroups. This position will also support the Bureau's Safety/Loss Prevention/Emergency Management programs.
- 1.0 Management Analyst  
BDS is dedicated to equity, diversity, and inclusion. The bureau wants to be a welcoming workplace for all, provide services in an equitable manner, and reflect the community in its workforce composition. This position will manage BDS's Equity/Diversity/Inclusion Program and serve as BDS's liaison to the Office of Equity and Human Rights and the Equal Employment Opportunity Officer.

- 1.0 Accountant I  
The volume of customers and payments received at the Development Services Center (DSC) continues to be large and is expected to increase in the future. This position will serve as a second main payment receivables person and would provide the minimum staffing levels necessary to open the Development Services Center (DSC) on Mondays and provide full-day services Monday through Friday.
- 1.0 Assistant Program Specialist  
The Assistant Program Specialist position will develop, implement, and assist in operating two new programs in the Communication and Organizational Development Section: Bureau-Wide Phone Call Coordination and the Change Management Office. The Phone Call Coordination program will phase in the answering of all general bureau program phone lines by a live person. Staff taking calls will answer general questions and ensure callers make contact with the correct workgroup to have technical questions answered. This will reduce customer frustration and ensure that technical staff is utilized to answer technical questions. The Change Management Office will create a standardized procedure for making changes to bureau codes, policies, and procedures in a comprehensive, coordinated, and collaborative manner. This program will ensure that changes are well conceived, coordinated, and communicated.

#### **Plan Review and Permitting Services Division (3 FTE)**

- 1.0 Development Services Technician II  
In combination with other requested positions, this position would help to provide minimum staffing levels to open the DSC on Mondays and provide full-day services Monday through Friday.
- 1.0 Plans Examiner  
In combination with other requested positions, this position would provide minimum Life Safety Plan Review staffing levels to open the DSC on Mondays and provide full-day services Monday through Friday.
- 1.0 Management Assistant  
This position will report directly to the Plan Review and Permitting Services Division Manager and will provide assistance with program recruitments, program administration support (draft technical papers, draft policies, program and code guide development), and TRACS/ITAP reporting.

#### **Inspections Division (4 FTE)**

- 1.0 Building Inspector II  
This position is needed to keep pace with the faster-than-projected construction recovery. Adding the position will improve the percentage of inspections completed within 24 hours from the current level of 85-90% to 95-98%. It will also reduce overtime usage, increase the quality of inspections by allowing more time for each inspection to be completed, and allow more time to complete the necessary training and professional development of Inspections staff.

- 1.0 Senior Plumbing Inspector  
This position is needed to maintain current service levels in the Facility Permit and Commercial Plumbing Inspections Programs. During the current calendar year acceptable service levels have been maintained by the use of a temporary retiree working approximately 1039 hours, which is not sustainable. This position will be split between the two Inspection programs and will improve plan review and inspection service levels in both programs.
- 1.0 Development Services Technician II  
This position is needed to perform programmatic work that is beyond the capacity of existing staff in the Residential Inspections program. This position will be assigned appropriate work either transferred from existing staff or currently not being done. This will improve customer service, allow for better management of back-logged permits, and provide oversight of the Minor Label and Gas Express programs.
- 1.0 Management Assistant  
This position will report directly to Inspections Services Division Manager and will improve internal and external customer service by responding to medium and low level complaints and customer inquiries; researching and implementing new programs and improvements to existing programs; creating a division-wide standard operational procedures database; and other duties as assigned.

**Land Use Services Division (4 FTE)**

- 1.0 City Planner II Land Use  
This position will help provide minimum staffing levels to open the Development Services Center (DSC) on Mondays and provide full-day services Monday through Friday. The position will also review land use cases and final plat applications, assist with pre-application and early assistance appointments, and staff phone shifts.
- 1.0 Development Services Technician II  
The volume of land use applications has increased dramatically, surpassing pre-recession levels. This position will improve coordination with the other development review bureaus involved with the Early Assistance Appointment system, including the Bureaus of Transportation, Water, and Environmental Services.
- 1.0 Management Assistant  
This position will report directly to the Land Use Services Division Manager and will assist with the development and updating of Standard Operating Procedures and the production of workload, staffing, and turnaround reports.
- 1.0 Office Support Specialist II  
This position will be a part of the Records Management Team and will help the existing team with its increased workload. In addition, the position will assist with the archiving of Land Use Review files and the maintenance of the Standard Operating Procedures.

All the above positions are being funded by permit and license fee revenues. No additional General Fund money is requested to support these positions.

**DS\_06. Restore the Citywide Tree Regulatory Improvement Project Program Coordinator Position to Full-time**

There is growing support to move the effective date of the Citywide Tree Project from January 1, 2015 to October 1, 2014. This will not only require an acceleration in completing remaining preparatory tasks, but will add tasks such as drafting the ordinance, briefing Commissioners' Assistants, and bringing the ordinance before City Council for consideration and vote. The Council has requested a report no later than December 18, 2013 on staffing and budget requirements for implementing Phase II of the Project.

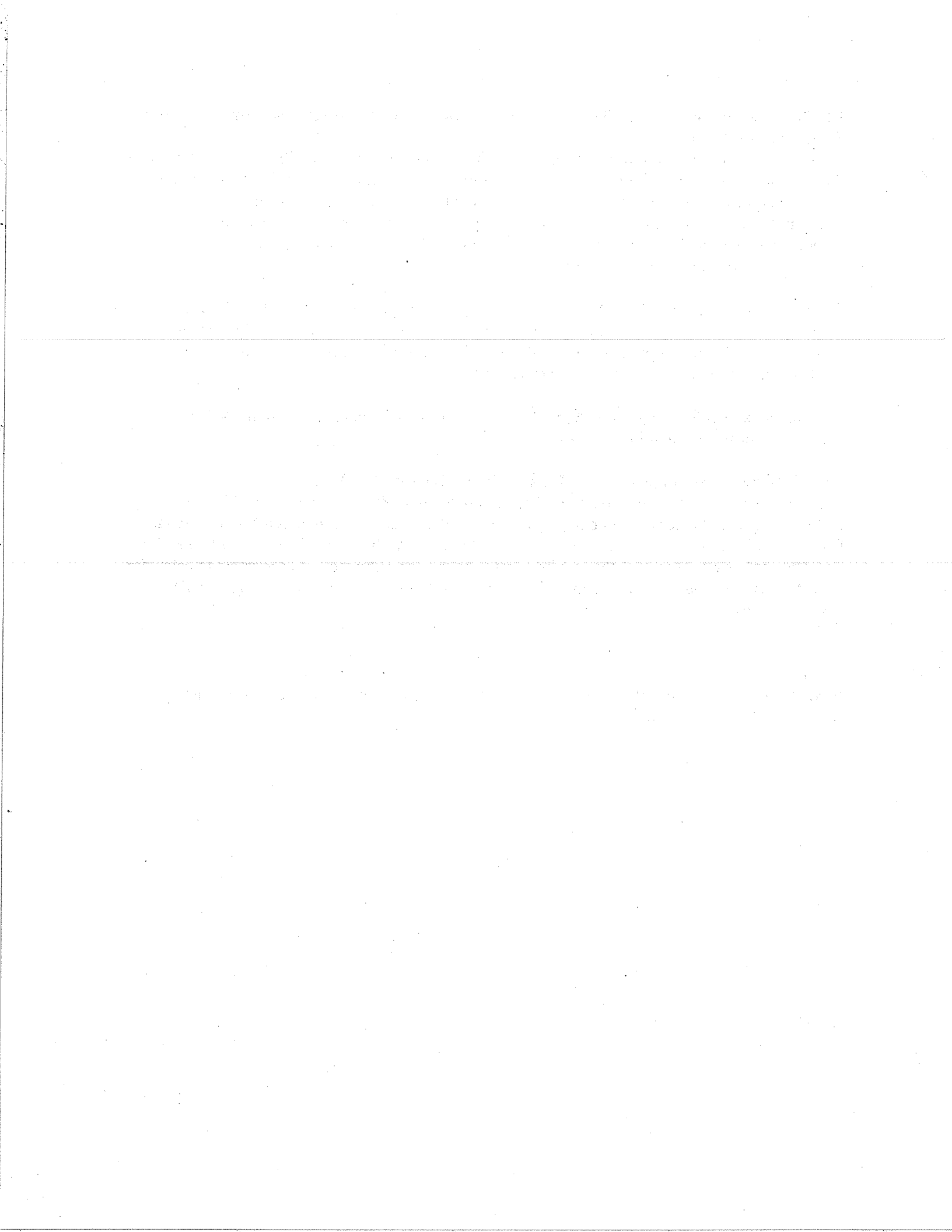
The half-time (0.5 FTE) Program Coordinator has been designated as the lead on the vast majority of the tasks required for Project implementation. If the Program Coordinator remains a half-time position, the implementation tasks will take longer to complete, resulting in the implementation being either delayed or incomplete.

The bureau is therefore requesting \$55,404 in General Fund support to restore the half-time Program Coordinator position to full-time.

**DS\_07. Office of Management and Finance PERS Savings (\$9,369)**

In the FY 2013-14 Adopted Budget, the City captured about 80% of the projected PERS savings that will accrue to General Fund bureaus and OMF internal service funds as a result of Senate Bill 822, which reduced the City's overall PERS liability. At that time, the City's actual PERS rate was not known. Now that the employer rates have been published, it is possible to calculate the actual savings that will accrue to each bureau. This adjustment reflects savings to BDS from new lower PERS rates.

If you have any questions about the BDS Budget Monitoring Report, please contact Elshad Hajiyev, BDS Finance Manager, at 503-823-7323.



# BUDGET AMENDMENT REQUEST

Bureau of Development Services

PERIOD Fall BMP

FISCAL YEAR FY 2013-14

## **DS\_001 - Rent Payments to BDS**

The interagency agreement with the Water Bureau to make rent payments to BDS needs to be increased by \$2,227 to account for additional parking spaces requested by the Water Bureau.

Dollar Amount: \$2,277  
Type: Technical Adjustment  
Resources: Bureau Contingency

## **DS\_002 - COPPEA Professional Development Fund**

This requests an adjustment of \$12,689 for the bureau's share of the COPPEA Professional Development Fund budget.

Dollar Amount: \$0  
Type: Technical Adjustment  
Resources: Bureau Contingency

## **DS\_003 - Adjustment to IA with the Fleet**

This request makes an adjustment of \$280,000 to the interagency agreement with City Fleet in order to carry over an appropriation for new vehicles from FY 2012-13 to FY 2013-14. New vehicles were originally budgeted in FY 2012-13, but due to late delivery of the vehicles BDS needs to carry over the budget for the vehicles to FY 2013-14. New cars are necessary to accommodate new inspector positions added in FY 2012-13. Approval of this request meets the requirements of Resolution 35960 requiring City Council approval of leases, upgrades to replacements, and new vehicle additions.

Dollar Amount: \$0  
Type: Technical Adjustment  
Resources: Bureau Contingency

## **DS\_004 - Bureau of Technology Services Cash Transfer**

This requests a cash transfer in the amount of \$9,141 from the Bureau of Technology Services (BTS) associated with the IBM Frame Replacement Project. The IBM Frame Replacement Project was essentially completed and BTS was able to bring the project in materially under budget. As a result BTS is transferring the unspent amount back to participating bureaus, including BDS's portion of \$9,141.

Dollar Amount: \$9,141  
Type: Technical Adjustment  
Resources: Bureau Contingency

# BUDGET AMENDMENT REQUEST

Bureau of Development Services

PERIOD Fall BMP

FISCAL YEAR FY 2013-14

## DS\_005 - BDS Additional Positions

Since FY 2011-12, BDS has experienced increasing workloads as the national economy and the local construction industry have gradually recovered from the recession. The bureau has been slowly adding back FTE that were cut during the recession in order to restore services and respond to the workload. Positions were added in FY 2011-12 and FY 2012-13. 14 additional FTE were included in BDS's FY 2013-14 Adopted Budget.

However, the pace of construction has recently been accelerating, and it has become clear that several FTE are needed in frontline positions in order to meet demands for services and not hinder ongoing economic recovery in Portland.

Along with addressing workload increases, adding these positions will allow for an expansion of services in the Development Services Center (DSC), slated for Spring 2014. BDS customers have long advocated for expanded services in order to better meet their needs.

### Staff Additions

BDS is requesting 15 FTE (\$740,424 in personnel costs for 8 months), including:

#### Administrative Services Division and Director's Office (4 FTE)

- 1.0 Senior Administrative Specialist
- 1.0 Management Analyst
- 1.0 Accountant I
- 1.0 Assistant Program Specialist

#### Plan Review and Permitting Services Division (3 FTE)

- 1.0 Development Services Technician II
- 1.0 Plans Examiner
- 1.0 Management Assistant

#### Inspections Division (4 FTE)

- 1.0 Building Inspector II
- 1.0 Senior Plumbing Inspector
- 1.0 Development Services Technician II
- 1.0 Management Assistant

#### Land Use Services Division (4 FTE)

- 1.0 City Planner II Land Use
- 1.0 Development Services Technician II
- 1.0 Management Assistant
- 1.0 Office Support Specialist II

All the above positions are being funded by permit and license fee revenues. No additional General Fund money is requested to support these positions. For additional information, please refer to the Letter from the BDS Director.

Dollar Amount: \$0

Type: New Request

Resources: Bureau Contingency



# BUDGET AMENDMENT REQUEST

Bureau of Development Services

PERIOD Fall BMP

FISCAL YEAR FY 2013-14

## **DS\_006 - Tree Project Program Coordinator Position**

There is growing support to move the effective date of the Citywide Tree Project from January 1, 2015 to October 1, 2014. This will not only require an acceleration in completing remaining preparatory tasks, but will add tasks such as drafting the ordinance, briefing Commissioners' Assistants, and bringing the ordinance before City Council for consideration and vote. The Council has requested a report no later than December 18, 2013 on staffing and budget requirements for implementing Phase II of the Project.

The half-time (0.5 FTE) Program Coordinator has been designated as the lead on the vast majority of the tasks required for Project implementation. If the Program Coordinator remains a half-time position, the implementation tasks will take longer to complete, resulting in the implementation being either delayed or incomplete.

The bureau is therefore requesting \$55,404 in General Fund support to restore the half-time Program Coordinator position to full-time.

Dollar Amount: \$55,404  
Type: New Request  
Resources: General Fund Discretionary

## **DS\_007 - Office of Management and Finance PERS Savings**

In the FY 2013-14 Adopted Budget, the City captured about 80% of the projected PERS savings that will accrue to General Fund bureaus and OMF internal service funds as a result of Senate Bill 822, which reduced the City's overall PERS liability. At that time, the City's actual PERS rate was not known. Now that the employer rates have been published, it is possible to calculate the actual savings that will accrue to each bureau. This adjustment reflects savings to BDS from new lower PERS rates.

Dollar Amount: \$0  
Type: Technical Adjustment  
Resources: Bureau Contingency

# Bureau of Development Services

## Performance Measures

Performance Measure	Type	FY 2012-13 Adopted Budget	FY 2012-13 Revised Budget	FY 2012-13 Year-End Actuals		
DS_0001 - Commercial inspections	WORKLOAD	52,000	43,000	43,355	0	0
DS_0002 - Number of inspections per day, per inspector	EFFECTIVE	16.00	13.00	12.85	0.00	0.00
DS_0003 - Percent of inspections made within 24 hours of request	EFFECTIVE	95%	95%	91%	0%	0%
DS_0004 - Enforcement cases prepared and presented to code hearings officer	WORKLOAD	6	4	2	0	0
DS_0005 - Zoning code violation statistics (cases, inspections, and letters)	WORKLOAD	3,250	3,770	3,718	0	0
DS_0006 - Home occupation permits	WORKLOAD	100	110	118	0	0
DS_0007 - Number of properties assessed code enforcement fees	WORKLOAD	250	290	246	0	0
DS_0008 - Residential inspections	WORKLOAD	76,000	90,000	91,036	0	0
DS_0009 - Number of inspections per day, per inspector	EFFECTIVE	22.00	26.00	25.18	0.00	0.00
DS_0010 - Percent of inspections made within 24 hours of request	EFFECTIVE	95.0%	80.0%	91.0%	0.0%	0.0%
DS_0011 - Number of inspection trips reduced due to multi-certified inspectors	EFFICIENCY	16,000	16,000	18,127	0	0
DS_0012 - Land Use Review and Final Plat Applications	WORKLOAD	520	560	706	0	0
DS_0013 - Zoning plan checks processed or in process	WORKLOAD	4,400	4,400	4,604	0	0
DS_0016 - Nuisance inspections	WORKLOAD	11,390	8,470	7,611	0	0
DS_0017 - Housing/derelict buildings inspections	WORKLOAD	3,800	2,790	2,605	0	0
DS_0018 - Number of housing units brought up to code as a result of Neighborhood Inspection Division efforts (includes enhanced inspection pilot beginning in 2010-11)	EFFECTIVE	1,310	1,740	1,606	0	0
DS_0019 - Number of properties cleaned up	EFFECTIVE	2,400	2,635	2,188	0	0
DS_0020 - Building permits - commercial	WORKLOAD	3,700	3,700	3,927	0	0
DS_0021 - Building permits - residential	WORKLOAD	4,700	4,800	5,086	0	0
DS_0022 - Total building permits (commercial and residential)	WORKLOAD	8,400	8,500	9,013	0	0
DS_0023 - Electrical permits	WORKLOAD	14,500	14,500	15,532	0	0
DS_0024 - Mechanical permits	WORKLOAD	10,000	10,000	9,805	0	0
DS_0025 - Plumbing permits	WORKLOAD	9,200	9,200	7,658	0	0
DS_0026 - Sign permits	WORKLOAD	700	700	846	0	0
DS_0027 - Percent of building permits issued over the counter the same day as intake	EFFICIENCY	65%	65%	53%	0%	0%
DS_0028 - Pre-issuance checks completed within two working days of last review approval	EFFICIENCY	80.0%	82.0%	83.0%	0.0%	0.0%
DS_0031 - Site development plan reviews	WORKLOAD	1,500	1,600	2,485	0	0
DS_0032 - Average number of working days to first review	EFFECTIVE	8.10	8.10	8.80	0.00	0.00
DS_0034 - Percent of residential plans reviewed by all bureaus within scheduled end dates	EFFECTIVE	87%	87%	87%	0%	0%
DS_0035 - Percent of commercial plans reviewed by all bureaus within scheduled end dates	EFFECTIVE	70%	70%	73%	0%	0%
DS_0040 - Housing intakes	WORKLOAD	1,400	1,633	1,586	0	0
DS_0041 - Nuisance intakes	WORKLOAD	4,500	4,299	3,981	0	0
DS_0042 - Code Enforcement fee waiver requests	WORKLOAD	170	210	408	0	0
DS_0043 - Code Enforcement fee waivers granted	EFFECTIVE	170	210	406	0	0

## Bureau of Development Services

### Performance Measures

Performance Measure	Type	FY 2012-13 Adopted Budget	FY 2012-13 Revised Budget	FY 2012-13 Year-End Actuals		
DS_0044 - Number of Housing Units Inspected (includes enhanced inspection pilot beginning in 2010-11)	WORKLOAD	3,078	3,430	3,118	0	0
DS_0045 - Site Development Permit Inspections	WORKLOAD	210	160	292	0	0
DS_0046 - Site Development Land Use Cases Reviews	WORKLOAD	609	560	610	0	0
DS_0047 - Sanitation Permits & Evaluations Issued	WORKLOAD	367	380	419	0	0
DS_0048 - Number of construction code violation cases	WORKLOAD	0	350	606	0	0
DS_0049 - Percentage of pre-issuance checks completed within four working days of last review approval	WORKLOAD	0.0%	95.0%	95.0%	0.0%	0.0%

#### **Performance Measure Variance Descriptions**

In FY 2012-13 several major bureau performance measures were higher than projected due to better than anticipated recovery in construction activity in Portland Metropolitan area. These measures include number of inspections; land use review and final plat applications, zoning plan checks, building, electrical, and sign permit issued, site development plan reviews, and site development permit inspections.

Variances in Code Enforcement fee waiver requests and fee waivers granted are due to the increased levels of case management and review of cases, which leads to more cases qualifying for allowed waivers.

The difference in Number of Properties Cleaned up is due to the fact that fewer properties were voluntarily corrected by responsible parties. The City is either assessing code enforcement fees or scheduling abatements for active cases.

The Number of Construction Code Violation cases is a complaint driven measure, more cases were submitted to the city than anticipated.

Percent of building permits issued over the counter the same day as intake is lower than estimated due to the higher volume of permit application received and shortage of staff to process these permits.

# Capital Program Status Report

## Bureau of Development Services

CIP Program	FY 2012-13 Adopted Budget	FY 2012-13 Revised Budget	FY 2012-13 Year-End Actuals	Variance \$	Variance %	FY 2013-14 Adopted Budget	Fall BMP Revised Budget	FY 2013-14 Year to Date Actuals	Variance \$	Variance %
Special Projects	\$3,680,172	\$3,680,172	\$572,299	(\$3,107,873)	(84%)	\$4,697,127	\$4,697,127	\$665,974	\$0	0%
<b>Total</b>	<b>\$3,680,172</b>	<b>\$3,680,172</b>	<b>\$572,299</b>	<b>(\$3,107,873)</b>	<b>(84%)</b>	<b>\$4,697,127</b>	<b>\$4,697,127</b>	<b>\$665,974</b>	<b>\$0</b>	<b>0%</b>

\* Prior Year variances compare Year-End Actuals to Revised Budget  
 \*\* Current Year variances compare Revised Budget to Adopted Budget

**Prior Year Variance Description**

BDS signed all ITAP contracts in late spring and summer of 2013; therefore the funds for the project were not expended in FY 12-13 as planned.

**Current Year Variance Description**

The Bureau is proceeding with the project. ITAP's official project start date was July 1, 2013.

## Prior Year Fund Reconciliation Report

	FY 2012-13 Revised Budget	FY 2012-13 Year-End Actuals	Percent of Actuals to Revised
<b>203 - Development Services Fund</b>			
<b>EXPENDITURES</b>			
Unappropriated Fund Balance	3,442,377	0	0.00
Personnel Services	22,336,292	20,843,836	93.32
External Materials and Services	3,175,645	1,425,812	44.90
Internal Materials and Services	7,308,043	6,507,444	89.04
Capital Outlay	65,000	8,563	13.17
Bond Expenses	897,336	795,904	88.70
Fund Transfers - Expense	958,401	958,401	100.00
Contingency	3,143,038	0	0.00
<b>TOTAL EXPENDITURES</b>	<b>41,326,132</b>	<b>30,539,960</b>	<b>73.90</b>
<b>REVENUES</b>			
Budgeted Beginning Fund Balance	6,144,097	0	0.00
Licenses & Permits	19,748,569	27,676,745	140.15
Charges for Services	7,377,901	11,151,010	151.14
Intergovernmental Revenues	5,000	2,274	45.48
Interagency Revenue	1,006,400	955,256	94.92
Fund Transfers - Revenue	2,310,211	2,310,211	100.00
Bond and Note	3,026,079	0	0.00
Miscellaneous	1,707,875	2,333,910	136.66
<b>TOTAL REVENUES</b>	<b>41,326,132</b>	<b>44,429,406</b>	<b>107.51</b>

### **Fund Reconciliation Narrative**

The bureau is continuing its progress toward implementing the Information Technology Advancement Project (ITAP), which will greatly enhance the level of automation in development review and improve public access to information. In the FY 2012-13 budget development process, the bureau budgeted approximately \$1.8 million in costs for the ITAP in "External Materials and Services" as payments for services provided by the contractor. Funding for the entire project through the line of credit was budgeted under "Bond and Note". Interest on the line of credit as well as debt issuance costs was budgeted under "Bond Expenses". BDS signed all ITAP contracts in late spring and summer of 2013; therefore the funds for contracts were not expended in FY 12-13 and the bureau did not initiate application for the line of credit in FY 2012-13. The Bureau is proceeding with the project. ITAP's official project start date was July 1, 2013.

The difference in "Internal Material and Services" is mostly due to the late delivery of new vehicles requested in FY 2012-13 and associated expenses. The delivery of new vehicles is expected in FY 2013-14.

The differences in Budgeted Beginning Balance and Contingency are due to higher than anticipated revenue collections in FY 2011-12 and FY 2012-13. In FY 2012-13 all bureau major revenue categories were higher than projected due to better than anticipated recovery in construction activity in Portland Metropolitan area, especially in multi-family apartment construction.

## Prior Year Business Area Reconciliation Report

	FY 2012-13 Revised Budget	FY 2012-13 Year-End Actuals	Percent of Actuals to Revised
<b>Bureau of Development Services</b>			
<b>EXPENDITURES</b>			
Personnel Services	\$10,000	\$5,941	59%
External Materials and Services	\$6,000	\$2,274	38%
<b>TOTAL EXPENDITURES</b>	<b>\$16,000</b>	<b>\$8,215</b>	<b>51%</b>
<b>REVENUES</b>			
Intergovernmental Revenues	\$16,000	\$8,215	51%
<b>TOTAL REVENUES</b>	<b>\$16,000</b>	<b>\$8,215</b>	<b>51%</b>

### Bureau Reconciliation Narrative

The difference in personnel and external material and services is due to lower than anticipated hours worked by the bureau staff on the Portland Milwaukee Light Rail project.

## **BUREAU OF DEVELOPMENT SERVICES**

### **Report on FY 2012-13 Budget Notes and Add Packages**

#### **FY 2012-13 Budget Notes**

##### **Information Technology Advancement Project**

The Bureau of Development Services is directed to work with the Office of Management and Finance (OMF) to develop internal and external project monitoring controls for the Information Technology Advancement Project. The bureau and OMF should consider industry best practice when creating the controls, including looking at decision points and the development of formal project related plans and processes. Recommendations should be presented to Council in the Fall BMP.

**Status: Compete**

**Estimated Completion Date: 06/30/13**

##### **Update**

In the summer of 2013, all three of the ITAP contracts (Sierra Systems contract for the two-year implementation project, Infor Hansen contract for licensing and maintenance of the new case management and permitting software system and Avolve ProjectDox for their digital plan review software) were signed, allowing the project vendor, which is referred to as Team Sierra, to join the City project Team. On July 1, 2013, the ITAP project formally kicked-off with the Team Sierra joining the City project Team to start the 2.5 year project. In addition, since the last update to Council, BDS has also decided to hire a profession project manager. This new position is scheduled to be hired on Monday September 30, 2013.

Since Team Sierra has joined the City a Project Management Plan, which includes the following sub-plans: Resource Management, Budget Management, Change Management, Issues Management, Risk Management and Communication, has been development and accepted by the City and is being used to manage the project. A detailed Project Schedule (MS Project) that includes both vendor and City resources, start/end dates, durations, successors and dependencies has also been developed and is being actively used to track progress against timelines. The Project Schedule and Project Management Plans and Sub Plans have been development in conformance with the standards set out in the Project Management Institute's Project Management Book of Knowledge, the industry standard for project management.

Part of Phase One of the ITAP includes the development of a Formal Project Plan that will detail all Project Phases and the Deliverables indentified in the ITAP Scope of Work Addendum to the contracts that were established in contract negotiations between the City of Portland and Team Sierra. The Formal Project Plan will clearly define the scope, schedule and establish a not-to-exceed cost for each deliverable. Any change to the Formal Project plan will be processed through a Change Request to identify impacts to the project scope, schedule and/or cost. All Change Requests will be heard by a Change Control Board and the final approval of Change Requests will be made by the Project Sponsor. The Project Plan will also include internal monitoring control process to identify, analyze and resolve project risks and issues.

An independent Quality Assurance Consultant and the City's Technology Oversight Committee continue to monitor the progress of the ITAP. The Bureau Financial department has worked with the ITAP Project Manager to baseline the project for matters of reporting to the CBO at the time of the project

starting – July 1, 2013.

**Performance Metrics for New Positions**

The Bureau of Development Services is directed to provide the Office of Management and Finance, Financial Planning Division with updated performance measure information that links directly to the newly approved 17.6 FTE, in the FY 2012-13 Spring Budget Monitoring Process. This data should be compared against the figures provided during budget development. All variances in performance should be explained.

**Status:** Underway

**Estimated Completion Date:** 6/30/13

**Explanation:**

From 2009-2010, BDS was compelled to reduce its staff by over one-half due to deep declines in permit revenues. Throughout the bureau, low-priority services were eliminated and most remaining services were significantly reduced. 168 out of 315 BDS employees were cut.

As the economy and the development industry have continued to recover from the recession, BDS has been unable to keep up with the growing workload. Workload and permit and land use revenues have remained strong in FY 2012-13, continuing a trend that began in FY 2011-12.

The total number of building, site development, and zoning permit applications received increased by 15 percent in FY 2012-13. The total valuation of these permit applications is up by 2 percent. The total number of building, site development, and zoning permits issued increased by 12 percent in FY 2012-13, and the valuation is up by 30 percent. The significant part of the growth in valuation in applications received is attributable to the unprecedented growth in multifamily construction, specifically small and midsize apartment complexes.

The situation is similar for Land Use applications received. The number of land use case applications received increased by 36 percent in FY 2012-13, the number of final plat applications increased by 10 percent.

This revenue and workload growth has allowed BDS to respond to the increasing workload by gradually adding back some of the staff that was lost during the recession. BDS added 17.6 FTE in FY 2012-13 Adopted Budget. These adds were intended to respond to the projected slight increase in work for FY 2012-13 and were proposed to improve the bureau's response time and customer service.

Table below displays bureau's estimates of improved performance submitted with the FY 2012-13 Budget Request, as well as current performance measures.



Performance Measure	FY 2011-12 Actual Data	Improvements Projected in FY 2012-13	Actual data for FY 2012-13
Percent of Commercial Inspections made within 24 hours of request	90%	98%	93%
Percent of Residential Inspections made within 24 hours of request	96%	98%	90%
Land Use Review completeness checks: Type I, IIx, III	30 days	21 days	23 days
Land Use Review completeness checks: Type II	21 days	14 days	14 days
Days to first checksheet: Residential building code plan review: New construction	17 days	10-15 days	12 days
Days to first checksheet: Residential building code plan review: Additions/alteration	15 days	10-15 days	10.4 days
Days to first checksheet: Commercial Building Code Plan Review: New construction & addition/alteration	24 days	20 days	21 days
Days to first checksheet: Property line adjustments	18 days	15 days	20 days
Days to first checksheet: Lot confirmations	16 days	10 days	20 days
Response to Zoning complaints	20% response within timeframe goals for high and medium priority cases	response within 5 days for high and medium priority cases	23% response within timeframe goals for high and medium priority cases

However, the bureau experienced workload growth that significantly exceeded expectations. The column on the right summarizes bureau's performance for the selected performance measures. 17.6 FTE added through FY 2012-13 budget development process helped the bureau to mostly accommodate the increase in the workload.

Bureau's workload and revenues continue to grow; the bureau received an approval to add 14 FTE to the bureau's workforce in FY 2013-14. Positions are being filled only where workloads have increased and where service improvements can be quantified. If these positions are approved, BDS will continue its practice of filling positions only when the revenues to support them are available and only where workload remains high.

## **FY 2011-12 Decision Packages**

### **DS\_01 – Improve Overall BDS Service Level**

#### **Package Summary:**

From 2009 - 2010, BDS lost over half of its staff due to deep declines in permit revenues. Throughout the bureau, low-priority services were eliminated and most remaining services were significantly reduced. Though BDS continues to review its overall operation to find ways to provide services more efficiently, it has been a struggle to provide service levels that are realistic for the bureau and still meet customers' needs.

In FY 2011-12, permit revenues began to recover and BDS began slowly adding back staff in the most critical program areas. While the addition of 12 staff positions helped fill some of the largest gaps in bureau services, current staffing still is not sufficient to provide adequate services in all programs. Current bureau projections call for workload increases in FY 2012-13 and beyond, emphasizing the need to ensure that staff levels are matched to workload demands.

The 17.6 staff additions in this \$2.1 million decision package will respond to the increase in projected workload for FY 2012-13 and will improve the bureau's response time and customer service. Contractors and developers will experience quicker response times in inspections and plan review which will positively impact their bottom line. Neighborhoods and residents will see improved response to their requests for service for zoning and compliance complaints. In addition the bureau will refocus on improving its skills to respond to its damage assessment responsibilities in case of emergency. Bureau revenues are projected to increase in FY 2012-13, providing sufficient funds for the 17.6 FTE in this package. These positions will be added only as revenues and/or workload are realized.

#### **Update**

Positions were filled.

### **DS\_02 – Enhanced Rental Inspection Program**

#### **Package Summary:**

In November 2008, City Council adopted recommendations from the Quality Rental Housing Workgroup on issues of substandard housing, lack of habitability, and environmental health hazards in Portland rental housing. Since 2009, BDS has been implementing a pilot Enhanced Rental Inspection Program in East Portland. This program identifies property owners who are chronically out of compliance with City housing maintenance codes and who are unwilling to make cited repairs in a timely manner. This innovative rental inspection model focuses resources on additional inspections of rental units with 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.

Since 2009, the enhanced rental inspection program has generated compelling results for fully utilizing and expanding the Enhanced Rental Inspection Program citywide. In FY 2010-11, 1,545 rental inspections occurred at 1,386 units in East Portland. A total of 3,541 violations were cited and corrected, including substandard living conditions such as fire dangers, mold, rodents, and pests. Such violations often develop when landlords neglect basic upkeep and maintenance. The Program effectively decreased tenant vulnerability and improved rental housing in East Portland.

Until FY 2011-12, the Portland Housing Bureau (PHB) had provided support for two Housing Inspector FTE through federal Community Development Block Grant funds. The positions implement a project in East Portland for enhanced complaint inspections, as recommended by the Quality Rental Housing Workgroup and approved by City Council in 2008. In FY 2011-12 the Block Grant funds were unavailable and the positions were supported through one-time General Fund revenues.

This package continues \$164,796 in one-time General Fund support for two Housing Inspector FTE to implement the Enhanced Rental Inspection Program. The Enhanced Rental Inspection Program is part of the bureau's Enforcement Program, which helps create equitable housing options for Portlanders and is a basic service for the City's low-income and vulnerable renters. The continuation of the Enhanced Rental Inspection Program will help provide safe and healthy housing conditions for renters, and will result in 1,028 initial site inspections, 1,500 rental units being inspected, and up to 3,662 violations being cited. This decision package will continue increased services being offered to vulnerable renters in East Portland.

#### **Update**

Positions were filled. In FY 2012-13 the two Housing Inspectors performed inspections which resulted in 977 initial site inspections, 1,263 rental units being inspected, and 2,512 violations being cited.

#### **DS\_03 – Improve Neighborhood Inspections Program**

##### **Package Summary:**

This package continues \$247,194 in one-time General Fund revenue to support 3.0 Housing Inspector FTE in the bureau's Neighborhood Inspections Program. \$198,000 of this amount will come from new revenues produced by the elimination of the tax exemption for property owners with nine or less residential rental units. Neighborhood Inspections helps protect the health, safety, and welfare of Portland citizens by preventing the deterioration of existing housing and contributing to vital neighborhoods. The program enforces minimum standards for maintenance of residential structures, regulates derelict buildings, and also addresses exterior maintenance issues for non-residential structures.

In FY 2011-12 BDS received one-time General Fund support for three additional Housing Inspector positions to address housing complaints throughout the city. Prior to budget cuts in 2009 and 2010, these positions had been in the bureau's budget. The additional positions allowed the bureau to respond to all housing complaints involving exterior maintenance issues on owner-occupied and nonresidential properties (to prevent neighborhood deterioration), significantly increase responsiveness to fire/life/safety and health/sanitation issues for occupied residential rentals, and restore case management duties to facilitate more timely compliance for violations impacting the community at large.

This decision package will result in 828 initial site inspections and 834 dwelling unit inspections concerning property maintenance violations on rental, owner occupied, and non-residential buildings. The bureau will be able to resolve many more complaints and reduce the number of neglected properties that impact surrounding property values. The "broken window" theory suggests that this decision package will help address neighborhood livability by reducing crime, squatters, vagrants, and service calls to City public safety agencies for neglected properties that have become an attractive nuisance. BDS will be able to investigate owner-occupied and non-residential property maintenance violations. Response times for initial inspections will be shortened and re-inspections, referral assistance, and code hearings to facilitate timely compliance will increase.

#### **Update**

Positions were filled. In FY 2012-13 the three Housing Inspectors performed inspections which resulted

in 1,897 initial site inspections, 1,991 dwelling unit inspections, and 2,903 property maintenance violations being cited at rental, owner occupied, and non-residential buildings.

#### **DS\_04 – Extremely Distressed Properties Enforcement Program**

##### **Package Summary:**

In the fall 2011 Budget Monitoring Process, in response to chronic property maintenance violations at some properties in the city due to the prolonged recession and mortgage-related foreclosures, City Council approved one-time General Fund support to BDS for a Senior Housing Inspector position to implement

EDPEP (Extremely Distressed Properties Enforcement Program). EDPEP focuses on un-maintained properties (often caused by abandonment due to foreclosures) with chronic nuisance and housing conditions that create risks of fire, public health hazards, and encourage criminal activity such as trespass, vandalism, graffiti, drug use and sale, prostitution, and additional serious public safety threats.

EDPEP enforces the City's Property Maintenance Regulations and uses the abatement, vacation, and demolition of property as a key tool. EDPEP provides a vital city service to relieve 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. This package continues \$96,402 in one-time General Fund support for this critical neighborhood livability program.

##### **Update**

There are currently 55 EDPEP enforcement cases being pursued and an additional 110 properties have been referred to the program and are awaiting follow-up. In 2012-13, 15 EDPEP enforcement cases were resolved (with an additional 22 cases in secured monitor stage with possible future action), 25 Code Hearing actions were held, 16 properties received vacation orders, and one building demolition was completed.

#### **DS\_05 – Citywide Tree Project**

##### **Package Summary:**

In support of the implementation of the Citywide Tree Project, in FY 2011-12 City Council approved one-time General Fund support for a Program Coordinator position in BDS. The position performs tasks that are critical to enabling BDS and the Parks Bureau to administer the new code, including process mapping;

development of brochures, application forms, and training materials for internal and external customers; website design and content; development of a code amendment package; public outreach; and coordination with programmers on incorporating tree permitting and code requirements into the existing permit database system.

Phase I of the Citywide Tree Project commenced in July 2011, and phase II is scheduled to be implemented beginning in February 2013. As was recognized by City Council previously, a great deal of work remains to be done to prepare for the 2013 effective date. The continuation of \$144,882 in one-time General Fund will support this position and help ensure a timely and smooth implementation of the new code.

##### **Update**

The full-time, limited-term one-year Program Coordinator position was filled in August 15, 2011 with an original anticipated end date of August 14, 2012. This position was extended for a year to August 14, 2013 due to the volume of work that must be completed prior to implementation of the Citywide Tree

Code in July 2013. With the adopted FY 13-14 budget, the position was extended again, but only as part-time due to GF cuts.

Status update:

Code Amendments:

- 1) Public outreach and public hearings before the Forestry Commission and the Planning & Sustainability Commission were held to consider the amendments to Title 11 and Title 33.
- 2) The public hearing at City Council to consider the amendments to Title 11 and Title 33 was held on September 19, 2012. City Council adopted the proposed Housekeeping Amendments on September 19, 2012

Outreach, Education, and Training:

- Outreach Plan created in coordination with BDS and PP&R Public Information Officers
- Continued work on drafting Training Plan for internal and external trainings of different groups.
- Created home page and framework for new Citywide Tree Website. Currently revising brochures and application forms and creating new brochures and application forms as needed, and other web content for both BDS & PP&R tree regulations, processes, and tree-related information and resources.
- Internal documents such as decision templates, and standard operating procedures are drafted and being tested by BDS staff including procedures for incorporating tree regulations into the review of Residential Building permits for new single family construction.

Development of Processes, Tools, and Monitoring Systems

- Created a comprehensive tree code monitoring plan that will allow staff to evaluate various components of tree code implementation (90% complete)
- Created flow charts to use as training tool for BDS planners to use in assisting customers and reviewing Building Permit plans, and Land Use Reviews.
- Completed process mapping for:
  - Type A and Type B Tree Removal Permits,
  - Tree questions when the tree is regulated by Title 33 overlay zones or plan districts, and
  - Street tree pruning.
- Began implementing the new online Tree Pruning Permit system on September 19, 2012.
- Data collection programming was completed in November 2012 and tree planting and preservation data is being collected for or new residential development to create a before and after comparison once the new regulations take effect.
- Created and tested new worksheet for planners to determine tree preservation and planting requirements under the new regulations

- Inspection protocols have been developed to determine what situations and how frequently an inspection will be conducted during development, and which expertise is needed to perform particular inspections. TRACs programming will be needed.
- Drafted new enforcement protocols to help BDS & PP&R staff determine which bureau processes a particular code violation.
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#### TRACS Programming

- As of March 13, 2013 the online pruning permit system is fully integrated with TRACs eliminating manual entry of applications received online.
- Programming the new A/B permit system is well underway.
- Identified programming changes needed for Residential Building Permits and Commercial Building permits.