



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

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MEMORANDUM

November 12, 2021

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

As we begin work on the Bureau of Development Services (BDS) budget for Fiscal Year (FY) 2022-23, it is important to articulate my priorities for the bureau. In the interest of brevity, in-depth background and context can be found in [my memorandum](#) from November 24, 2020. That memorandum set in motion a [bureau workplan](#), with multiple projects to move the bureau forward in the focus areas I'd identified. The bureau workplan is a living document, and the bureau will continue to implement it and add new projects to it over the coming fiscal year. 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.

My vision for BDS is for it to be a great place to work and grow professionally, and an agency that is efficient, innovative, forward-thinking, and embraces a continuous improvement culture to meet the diverse and changing needs of the community, with an emphasis on meeting the needs of BIPOC Portlanders by dismantling the white supremacy and racism built into our bureau's systems and services. In order to achieve this, the bureau must focus its efforts and resources in the following five areas.

1. Commitment to Equity, Inclusion and Anti-Racism
2. Fiscal Sustainability
3. Performance & Service Delivery - This includes customer service, continuous improvement, service delivery enhancements, performance management and accountability.
4. Bureau Workforce – This includes bureau culture, professional development, employee retention, and morale.
5. Climate Action

It is important to note that equity, inclusion and anti-racism are a focus area, but must also be woven into each of the other focus areas, and all aspects of our work, and cannot be viewed as something extra, or separate from our day-to-day work.

My focus areas and priorities for the coming fiscal year take into account more recent information, such as:

- City Council's articulation of their shared priorities:

- Houselessness
- Economic Recovery
- Community Safety

NOTE: These priorities are interconnected, and equity is part of all three. Climate action is also critical to the City of Portland.

- Commissioners Ryan and Mapps' Permit Improvement Task Force;
- The sunset of the bureau's first [5-Year Racial Equity Plan](#), and plans to develop a new Racial Equity Plan;
- The [Building Permit Review Audit](#) published March 23, 2021
- The input received through a [customer survey](#) about how customers experience preparing and submitting a permit application - July 2021.
- The [Ombudsman's Report](#) on the City's reliance on complaints for property maintenance enforcement published November 3, 2021.
- Ongoing input from colleagues and community members.

My priorities through fiscal year 2022-23 are listed under our five focus areas:

1. Commitment to Equity, Inclusion and Anti-Racism

- [Develop and begin implementation of new Racial Equity Plan](#) - The new plan is due to City Council between Aug. - Oct. 2022.
- [Fill community engagement position](#) to lead relationship-building with culturally specific communities, to better understand and meet their evolving needs regarding bureau programs, processes and services.
- [Fill data analyst position](#) to continue building the bureau's strategies and capacity for gathering and utilizing data in designing and implementing improvements and measuring outcomes, particularly in our services to BIPOC customers.
- [Expand Empowered Communities Program](#) particularly in the area of assistance to BIPOC Small Businesses and BIPOC homeowners.

2. Fiscal Sustainability

- [Improve cost recovery in Field Issuance Remodel \(FIR\) Program](#) so we can continue to expand this program to serve more contractors.
- [Address enforcement funding model](#) - Reduce our enforcement program's reliance on financial penalties and replace with other ongoing funding sources.
- [Evaluate if fees for service need to be changed, and continue finding ways to work more efficiently](#) (Under #3 below, see Technology Projects to increase automation and eliminate manual steps, and Continuous Improvement Program to streamline workflows, etc.)

3. Performance & Service Delivery - Includes customer service, continuous improvement, service delivery enhancements, performance management, accountability

- [Technology Projects - Continue Building Online Permitting Services](#) - Currently, the bureau has only partially built the critically needed technology systems to support basic online permitting capabilities. Coming components of the new system include:
 - Methods to eliminate additional review cycles - Ensure permit reviewers have the tools they need to work efficiently, such as being able to make minor mark-ups to plans with the applicant's permission, so they can eliminate an additional review cycle and approve the permit plans with their minor corrections made to the plans.

- Making the changes necessary to the City's permitting software (AMANDA) and the online portal, Development Hub PDX (DevHub):
 - to allow for corrections to permit plans to be submitted through the online portal;
 - to expand the proportion of permits that can use the Small Project Permit Track to approximately 45% of permitted projects by increasing automation of several pre-screening tasks; and
 - to continue to expand the use of DevHub.
 - Reduce Overall Timelines for Permits - Permit Improvement Task Force - Complete Permit Improvement Task Force projects associated with Objective #1 (the City making improvements to help customers access the information they need to prepare a complete permit application) and transition into Objective #2: performance management.
 - Performance Management Plan Implementation - Provide needed dashboards/reports and other tools, and implement BDS Performance Management Plans (three areas: customer service, quality service, and timeliness of services provided).
 - Property Compliance Division's Workplan - Continue the projects identified in the workplan.
 - Develop the Continuous Improvement Program - This involves expanding systems for ongoing and targeted customer inputs related to performance, filling a data analyst position, data-informed assessment of service delivery issues and solution development, etc.
 - Pro-active Planning - We will put together an inter-disciplinary team to be convened by Emily Sandy, to meet regularly with a focus on anticipating what's on the horizon regarding customer needs and getting out ahead of those future demands so we have things in place to meet the community's needs, rather than being reactive. An example is anticipating how building owners will try to re-purpose existing vacant office space and working now to create a path forward for these conversion projects.
4. **Bureau Workforce** – Includes bureau culture, professional development, employee retention, and morale.
- Develop Consistency Regarding Customer Service Excellence - Develop a more consistent customer experience with clear policies and expectations, continuous learning, timely feedback to employees, metrics and accountability.
 - Employee Recognition Program - Further develop the bureau's systems for employee recognition with a focus on customer service excellence.
 - BIPOC Employee Mentorship Program - Develop first phase of mentorship program specifically for interested BIPOC employees.
 - Inspections Succession Planning Program - Develop and implement first phase of succession planning for the Inspections Division.
5. **Climate Action**
- Solar Permitting Improvements - Continue to improve the solar permitting process.
 - Portland Clean Energy Fund - Support to the Portland Clean Energy Fund and fund recipients seeking permits.

Please note there are additional projects on the bureau workplan, but the above projects are of critical importance now through June 2023.

Many of you share my concern about the glut of office space in Portland, and the lack of large commercial projects on the horizon, given our funding is primarily from permit fee revenue for large

commercial projects. The pandemic has led to many changes nationally and globally, including uncertainty about how much office space will be needed in cities across the country, the loss of small businesses that had supported office populations, and cascading impacts on the vibrancy and financial ecosystem of commercial areas. Portland, like many cities, is at a transition point, and uncertain about what comes next. It is unlikely that all of the existing vacant office space in Portland will be occupied by office workers in the coming years, so the question is how will these vacant spaces be used, and will the new mix of uses and tenants of that vacant space support retail businesses to the extent that the previous office population did? How does Portland quickly transition to the next phase of re-use of these existing spaces and economic recovery, address the houseless situation, and create a vibrant environment where people want to live and small businesses can thrive? Until there is greater clarity on what is to come, banks will be unwilling to invest, large commercial projects will not materialize, and the bureau expects to remain in a very constrained financial condition. This uncertainty about the bureau's financial future requires that we be prudent in our use of our financial reserves, continue our work to achieve greater efficiency, which will in turn improve our capacity, so we are well-positioned to support Portland's economic recovery.

These are unprecedented and uncertain times, but we have City Council's support and are in alignment with their priorities, the community is counting on us to weather this and come out of it better than we went into it, and the bureau is made up of highly competent, creative, dedicated, adaptable employees as the past two years have continued to show us. As the saying goes, "With every challenge comes opportunity". We have both great challenges and great opportunities! While there is an incredible amount of work yet to do, we can't forget that even with our current financial constraints, we've managed to make amazing progress in adapting to the situation, including progress made toward developing our new online permitting services while continuing to take care of our day-to-day work.

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