



City of  
**PORTLAND, OREGON**

Development Review Advisory Committee

---

**Development Review Advisory Committee**

**Meeting Notes**

**Thursday, February 16, 2023**

**DRAC Members Present:**

Jill Cropp

Steffeni Gray

Lauren Jones

Eric Paine

Eli Spevak

Libby Deal

Sean Green

Sam Miller

Maurice Rahming

Martha Williamson

Paul Delsman

Holloway Huntley

Peggy Moretti

Jennifer Santhouse

**City Staff Present:**

Hillary Adam, BDS

Gabby Bruya, BDS

Brenda Fahey, BDS

Terry Kimmons, Fire

Amit Kumar, BDS

Teresa Montalvo, BDS

David O'Longaigh, Water

Leesha Posey, BDS

Kim Tallant, BDS

Terri Theisen, Comm. Ryan's Office

Sam Baraso, BPS

Ocean Eale, Civic Life

Mark Fetters, BDS

Kurt Krueger, PBOT

Zsolt Lehoczky, Parks

Phil Nameny, BPS

Andy Peterson, BDS

Ken Ray, BDS

Dave Tebeau, BDS

Nancy Thorington, BDS

Beth Benton, BDS

Rebecca Esau, BDS

Ingrid Fish, BPS

David Kuhnhausen, BDS

Erin Mick, BDS

Kyle O'Brien, BDS

Colleen Poole, BDS

Matt Rozzell, BDS

Bret Winkler, BES

**Guests Present:**

Krista Bailey, Urban Renaissance Group

Ashley Fleschner, Fleschner Construction

Michael Harrison, OHSU

Dave Humber, HDG Civil

Preston Korst, Home Builders Association

Josh McDowell

Mike Rueter, Mackenzie

Suzannah Stanley, Mackenzie

**DRAC Members Absent:**

Bobby Daniels

Elizabeth Gomez

Steve Lee

**Handouts (all handouts are available at [Development Review Advisory Committee \(DRAC\) | Portland.gov](https://www.portland.gov/development-review-advisory-committee))**

- Draft DRAC Meeting Notes Jan. 19, 2023
- Inter-Bureau Code Change List
- BDS Major Workload Parameters
- Non-Cumulative Cost Recovery Report
- BDS Business Continuity Plan Summary
- Updates to PCC Title 24
- Portland Clean Energy Fund Climate Investment Plan

## **DRAC Subcommittee Updates**

### Policy Subcommittee

The DRAC Policy Subcommittee met with staff from BES on January 30, 2023 to discuss sanitary sewer options for middle housing land divisions. Jill Cropp (DRAC) said that the discussion centered around whether applicants would prefer a private or public branch, and attendees agreed that they preferred a private line. Eli Spevak (DRAC) added that it wasn't clear what the Water Bureau will do. Erin Mick (Water) said Water doesn't want to have public mains in these areas because they're small and hard to maintain. They would like to have everything in the right-of-way if possible, but sometimes there isn't enough room. Middle housing is challenge because they're individual lots, but in general, it's a header service. Spevak (DRAC) was encouraged that Water might be open to easements. Mick (Water) said that Water is open to private easements on the private property side.

BDS Land Use Services Manager Kim Tallant noted that the minimum allowable easement width is 10 feet, but they have been seeing a lot of 5-foot easements or building encroachments in easements, which don't work. DRAC Member Jennifer Santhouse said they see that on the electricity side as well.

On February 7, 2023 the Policy Subcommittee met with Phil Nameny (BPS) and staff from BDS to discuss the Regulatory Improvement Code Amendment Package (RICAP) 10. Spevak (DRAC) said that Nameny shared the list of RICAP items, which cover a large range of topics. Spevak said that RICAP is much needed and off to good start. Cropp (DRAC) noted that there weren't any controversial items related to housing. Tallant (BDS) said that anyone can submit RICAP 10 requests to BPS [here](#).

Nameny (BPS) said the RICAP workplan will be finalized in the next couple weeks and will be posted online. BPS is tentatively planning to take the final RICAP changes to City Council in spring 2024, with the changes going into effect in October 2024.

Notes from the two Policy Subcommittee meetings can be found on the [DRAC webpage](#).

### Process Improvement & Technology Subcommittee

DRAC Member Sean Green shared background information on the Process Improvement & Technology Subcommittee. The purpose of the subcommittee is to provide advice, guidance, and recommendations on business and technology improvements in order to make the development review process more equitable, transparent, timely, efficient, effective, predictable, and accountable.

The subcommittee focuses on five objectives:

1. Provide feedback and recommendations on how technology and processes can be improved to better serve all customers and the community, and on Bureau initiatives and implementation of projects.
2. Support BDS Equity Goals and consider the interests of all customers.
3. Review, track and report on technology and process improvement efforts.
4. Review and provide feedback and recommendations, in an advisory capacity, on technology and process improvement efforts post-implementation.
5. Other specific items as delegated by the DRAC.

The subcommittee began life as the Customer Advisory Group for the Portland Online Permitting System, independent from the DRAC, but it included some DRAC members. Recently the subcommittee discussed improving the My Permit section of [Development Hub PDX](#). Green (DRAC) noted that BDS Director Rebecca Esau and Jim Baker (Water) will be attending today's subcommittee meeting.

BDS Public Information Officer Ken Ray noted that the Process Improvement & Technology Subcommittee is recruiting for new members; information is available at <https://www.portland.gov/bds/drac/pits-customer-advisory/news/2023/2/7/interested-promoting-new-tools-guide-portlands>. Persons of color are encouraged to apply, and applications will be accepted through Monday, March 6, 2023.

More information about the subcommittee can be found at <https://www.portland.gov/bds/drac/pits-customer-advisory>.

### **DRAC Business**

#### January 19, 2023 DRAC Meeting Notes

DRAC Members reviewed and approved notes from the January 19, 2023 DRAC meeting.

### **Proposed Amendments to Title 24 (Conversion of office space to residential)**

BDS Structural Engineer Amit Kumar shared the presentation *Updates to PCC Title 24* and gave an overview of proposed changes to Title 24 that could impact the conversion of office space to multi-family residential. The proposal would revise the standard of seismic improvement required in [Title 24.85](#) for a change of occupancy from Office to Residential from the current ASCE 41-BPON to ASCE 41-BPOE, as detailed in the presentation.

Delsman (DRAC) asked for an example of another BPON-to-BPOE change in the code, and what that would mean to the physical retrofit. Kumar (BDS) replied that BPOE is a lower standard, based on structural systems. Upgrades are required only on identified deficiencies, and the performance level is a little bit lower.

DRAC Vice Chair Sam Miller asked if the changes were made specifically with houseless people in mind. Kumar (BDS) said the proposed changes would apply for any change of occupancy from office to residential and are not specific to the houseless. Miller (DRAC) asked who will assume the cost for the conversions. Kumar (BDS) said the building owners would have to bear the costs of seismic upgrades. The focus of these changes is reducing the barriers presented by seismic upgrade requirements.

DRAC Member Maurice Rahming asked if staff has seen examples in other cities of successful office to residential conversions. Kumar (BDS) said there have been some conversions in other cities away from the west coast, but they don't have the same seismic codes.

Rahming (DRAC) expressed concern that creating a lower standard for conversions will lead to a lot of people becoming homeless in a seismic event – more than would be with higher seismic standards.

Rahming also felt that the only types of conversions that will pencil out will be at the higher end financially. Kumar (BDS) said that at the proposed standard, buildings should perform well in a moderate earthquake, but they may sustain a somewhat higher level of damage. Kumar noted that even current building standards don't make buildings earthquake-proof.

Lauren Jones (DRAC) said that feasibility studies that have been done for some buildings in downtown have shown a small number of buildings that could potentially be converted. In most cases it would be better economically to tear the office buildings down and build new residential structures.

Peggy Moretti (DRAC) suggested that financial incentives/tools could be applied for conversions of older commercial buildings downtown, such as an historic tax credit. Moretti added that demolishing and replacing structures generates tremendous negative carbon impacts.

### **City Bureau Updates**

#### Civic Life Programs Transitioning to BDS

BDS Property Compliance Division Manager Beth Benton said that on February 2, 2023 City Council approved the transfer of three City programs are from the Office of Civic Life to BDS:

- Liquor Licensing Program
- Cannabis Program
- Noise Control Program

These moves are part of the preparation for the Portland City Charter changes, and include a couple boards/commissions.

#### BDS Fiscal Year (FY) 2023-24 Fee Changes

BDS Budget & Finance Manager Kyle O'Brien said that BDS submitted its budget request and 5-year Financial Plan on January 26, 2023. Mayor Wheeler has since released a new budget memo outlining priorities for General Fund requests, and they don't match up with BDS's work. O'Brien said it isn't likely that BDS will be able to request additional General Fund support this year. The City Budget Office is currently reviewing BDS's budget request and will provide their recommendations to City Council.

O'Brien (BDS) said the bureau will present its budget to City Council on March 23, 2023 from 2:00 – 5:00 p.m. More information about the City's budget process is available at [City Budget Office | The City of Portland, Oregon \(portlandoregon.gov\)](#).

O'Brien (BDS) also noted that BDS has started work on proposed fee changes for fiscal year (FY) 2023-24 and anticipates taking a proposal to City Council in mid-May 2023. BDS will likely propose around a 5% increase for its fees, though individual fees may increase more or less than that (or not at all). O'Brien said the increase is driven by rising personnel costs, including cost of living hikes and labor contracts. BDS and the other development bureaus will provide detailed fee change information at the April 2023 DRAC meeting.

### Permit Improvement Initiatives

BDS Director Rebecca Esau, Terri Theisen (OMF), and Kurt Krueger (Infrastructure Team) discussed various initiatives taking place related to improving the City's permitting processes, including:

- Housing Projects pilot – a multi-disciplinary review team with a single point-of-contact.
- Timing of SDC payments – looking at beefing up SDC deferral options for housing projects to make them more financially feasible.
- Research/Intervention project – looking for older projects that are “stuck” in the review process and working to move them forward.

Director Esau said that a Regulatory Reform Survey will be sent out this afternoon asking recipients to identify five development regulations that, if changed, would have the most impact on housing production. The survey will close on February 27, 2023.

Theisen (OMF) said this work is about culture change. In a staff survey conducted in November 2022, 70% of respondents said they want change, and most are frustrated with regulatory challenges.

Theisen (OMF) noted a few additional initiatives:

- The Regulatory Work Group will have a proposal in 90 days on creating, implementing, enforcing, and evaluating City Code, which they will bring to the DRAC Policy Subcommittee.
- The Small Business Work Group will perform a deep dive into barriers to development for small businesses, and how to work cooperatively with Prosper Portland and non-profits doing outreach to businesses.
- Citywide web coordination between development bureaus is a priority – customers have been saying that information is hard to find and access across the bureaus.
- The Permit Improvement Task Force met last month and focused on housing production. The group started talking about what staff is doing in partnership with the community to create homes.

Gray (DRAC) added that the upcoming changes in governance in Portland in the next couple years will have an impact on the development bureaus involved in this work.

Cropp (DRAC) said that some City reviewers already see themselves as partners with applicants, but others seem to look for every possible barrier to development. Director Esau said that customers should contact City supervisors when they see inconsistencies or have issues with reviewers, so they can be addressed. The list of supervisors from each of the development review bureaus with contact information can be found at <https://www.portland.gov/bds/about-development-services/contact-development-managers-and-supervisors-all-permitting-bureaus>.

Cropp (DRAC) asked if the single point of contact model will be rolled out to all permits. Director Esau said that Process Managers (currently assigned to large housing projects) will be offered to smaller housing projects. A Permit Technician will be assigned as the point of contact for multifamily housing projects that don't have a Process Manager.

BDS Permitting Services Manager David Kuhnhausen said that Permit Technicians don't do everything that Process Managers do, but they can direct applicants to help. This service is being rolled out to multifamily projects and some small businesses. They need to determine how many projects can be handled by each employee.

Rahming (DRAC) was encouraged by the conversation felt that the missing question is how to help revitalize downtown so that jobs come back. Director Esau suggested adding this topic to the April 20, 2023 DRAC agenda. Steffeni Gray (DRAC) concurred with Rahming's comment, noting that BIPOC businesses have historically been an economic driver downtown, but that doesn't exist anymore. Gray said the Small Business Work Group needs to work with the ethnic Chambers of Commerce and Prosper Portland to understand what is needed for businesses downtown. Also, more people working remotely has created a different dynamic downtown; Gray wondered whether Portland should recreate what was before or reimagine what downtown could be.

Miller (DRAC) agreed with Rahming's comments regarding the BIPOC community and said that a lot of black-owned businesses no longer exist. Miller said that DRAC members can be influential in helping to reinvigorate the community. Rahming (DRAC) said that a lot of minority businesses have worked out of their homes for years and would jump at the chance to move their businesses downtown. Rahming wants to have a conversation about how to remove barriers to those businesses.

Krueger (Infrastructure Team) has met internally with staff and with external stakeholders on finding a way to expand BDS's 15-minute virtual appointment program to Public Works permits. Staff is excited and engaged in the effort. Krueger will provide an update at next month's DRAC meeting.

### **Transition to Electric Vehicles / Infrastructure**

Miller (DRAC) introduced a conversation around the transition to electric vehicles and the development of needed infrastructure. Miller noted that City Council just passed legislation requiring all newly built apartments to include charging stations in the design and build process. Miller stressed the importance of making sure that the BIPOC community/businesses are involved in this work and asked for leadership and guidance from DRAC members.

Ingrid Fish (BPS) said that the legislation Miller mentioned, Electric Vehicle (EV)-Ready Code, requires conduits for EV infrastructure for new mixed-use construction. Fish added that the City has several programs to promote zero-emission vehicles and there is a lot happening at the federal level with funding.

### **Portland Clean Energy Fund (PCEF) Update**

Sam Baraso (BPS) shared the presentation *Portland Clean Energy Fund Climate Investment Plan*.

### **Pulse of the Industry**

Delsman (DRAC) is encouraged that interest rates are cooling off, supply chain issues are improving, and development work is still taking place.

Eric Paine (DRAC) said that supply chain issues and construction costs have stabilized on multifamily work. There are significant security issues at their properties in Portland. Resources have thinned on the affordable housing side, so they are trying to be creative.

Rahming (DRAC) said that smaller BIPOC businesses are suffering, while larger/more established businesses are doing ok.

**Other**

Guest Michael Harrison (OHSU) asked about the timing of when Title 24 and Title 33 portions of the Flood Hazard Areas regulations might be coming to City Council. Director Esau (BDS) said the proposed amendments related to Floodplain Resilience will go to City Council in May 2023, at the same time as the Title 33 amendments, and will be open to public testimony.

**The next DRAC meeting is scheduled for Thursday, March 16, 2023.**  
Meeting notes prepared by Mark Feters (BDS).