



City of  
**PORTLAND, OREGON**

Development Review Advisory Committee

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**Development Review Advisory Committee**

Meeting Notes

Thursday, March 16, 2023

**DRAC Members Present:**

Jill Cropp

Paul Delsman

Lauren Jones

Maurice Rahming

Martha Williamson

Bobby Daniels

Sean Green

Peggy Moretti

Jennifer Santhouse

Libby Deal

Holloway Huntley

Eric Paine

Eli Spevak

**City Staff Present:**

Beth Benton, BDS

Rebecca Esau, BDS

Lisa Gill, PBOT

Terry Kimmons, Fire

Steve Lee, Comm. Ryan's Office

Phil Nameny, BPS

Daniel Ramirez-Cornejo, Parks

Sadie Silkie, Water

Terri Theisen, Comm. Ryan's Office

Gabby Bruya, BDS

Brenda Fahey, BDS

Elshad Hajiyev, BDS

Kurt Krueger, PBOT

Zsolt Lehoczky, Parks

Andy Peterson, BDS

Ken Ray, BDS

Kim Tallant, BDS

Nancy Thorington, BDS

Ross Caron, BDS

Mark Fetters, BDS

Stephen Himes, BES

David Kuhnhausen, BDS

Doug Morgan, BDS

Colleen Poole, BDS

Matt Rozzell, BDS

Dave Tebeau, BDS

Bret Winkler, BES

**Guests Present:**

Alex Blosser

Preston Korst, Portland HBA

**DRAC Members Absent:**

Elizabeth Gomez

Steffeni Gray

Sam Miller

**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 – Feb. 16, 2023
- Inter-Bureau Code Change List
- BDS Major Workload Parameters
- Non-Cumulative Cost Recovery Report
- BDS Business Continuity Plan Summary
- Multi-Dwelling Projects: Permit Status Pipeline
- Housing Regulations Survey Results
- Middle Housing Land Division Sewer Route of Service Options

## **DRAC Business**

### DRAC Membership / Recognize Steve Lee

Mark Feters (BDS) announced that DRAC Member Steve Lee (*Land Use Planning Professionals*) has accepted a position on the staff of City Commissioner Dan Ryan, and will be stepping down from DRAC membership. DRAC members and City staff expressed appreciation for Lee's work on the DRAC.

A recruitment to fill the *Land Use Planning Professionals* position on the DRAC will be announced soon.

### February 16, 2023 DRAC Meeting Notes

DRAC Members reviewed and approved notes from the February 16, 2023 DRAC meeting.

## **City Bureau Updates**

### Office-to-Residential Conversion Ordinances

BDS Plan Review Services Manager Doug Morgan summarized two ordinances that were approved by City Council yesterday (March 15, 2023) related to conversions of office space into residential:

- The first ordinance waived Systems Development Charges (SDCs) for conversion permits when seismic improvements are triggered, in order to offset some of the costs of the requirements. This ordinance sunsets on July 1, 2027 and applies to buildings located in areas with an Opportunity Score of 5 (see <https://www.portland.gov/phb/opportunity-mapping>). The ordinance also requires the applicant to register a covenant to maintain the building's residential use for a period of 10 years. The SDC waiver is capped at either the cost of the seismic improvements or \$3 million (whichever is lower).
- The second ordinance changes the seismic standard for office conversions from the new construction standard to the standard for existing buildings.

### Small Business Workgroup

Terri Theisen (OMF - Office of Management & Finance) said that the Small Business Workgroup that was mentioned at the February 16, 2023 DRAC meeting has now launched. Theisen noted that DRAC Members Steffeni Gray and Sam Miller joined the Workgroup for its kickoff meeting earlier this month. Erika Lopez (OMF) is the project manager for the Workgroup.

The Workgroup includes representatives from BDS, Prosper Portland, and non-profit organizations, with a goal of strategizing ways to improve permitting processes for BIPOC small businesses. The Workgroup will issue a report after 90 days.

Maurice Rahming (DRAC) asked if any small business associations are represented on the Workgroup. Theisen (OMF) said the agencies that were included were primarily Prosper Portland grant recipients. Theisen said that one of the things that came out of the Workgroup's discussion was a need for better outreach, as there was a lack of knowledge about who is doing the work. Theisen offered to meet with Rahming to discuss further.

## Permit Improvement Updates

### Stalled Housing Projects

BDS Permitting Services Manager David Kuhnhausen shared the handout ***Multi-Dwelling Projects: Permit Status Pipeline***. Kuhnhausen said that BDS staff reached out to over 130 applicants of housing projects that were submitted from January 1, 2019 – December 31, 2022 and have not progressed to permit issuance. They are looking to help those clients move their projects to the next phase. Progress will be tracked over the next 60 days and reported to Commissioner Rubio.

DRAC Chair Paul Delsman asked about permits that are delayed because of City permitting issues. Kuhnhausen (BDS) said that the straightforward projects have been addressed, and the ones that remain are waiting on the applicants to take required steps.

### Single Point of Contact Update

Kuhnhausen (BDS) said that over the last couple years customers have experienced difficulty getting information/feedback from staff to keep their projects moving. In response, BDS Permitting Services is pilot-testing the creation of a single point of contact (SPOC) for customers for certain permit types, including new single-family residences, batch permits, multi-family residences, and middle housing land division permits. For each permit in the pilot test, a Development Services Technician (DS Tech) will reach to the applicant, provide process and timeline information, and be available to assist. The DS Techs will be able to address general checksheet items but not technical code questions; they'll refer customers to other staff as needed.

Jill Cropp (DRAC) asked if customers using the new system should continue contacting reviewers directly when checksheets arrive outside of the review window. Kuhnhausen (BDS) advised contacting the reviewer first, then contacting the assigned SPOC if needed.

Delsman (DRAC) said it would be helpful to post an FAQ page for Portland Maps, including an explanation of the different permit statuses. BDS staff noted that such information is already available at [How to Use Portland Maps to Check on a Permit Under Review | Portland.gov](#).

Delsman (DRAC) asked if BDS will also be pilot testing collaborative review groups. Kuhnhausen (BDS) said that effort is being paused for now due to the number of projects already underway related to permitting, but it is on the radar for a later time.

### Discussion: Encouraging Earlier Customer Communication

BDS Director Rebecca Esau asked for DRAC members' input on how to address a particular issue for permit customers. Customers frequently spend a lot of time and money on project design before connecting with the City, and then run into problems with the various development bureaus and codes when they submit the project for permit. Director Esau (BDS) wants to provide early assistance (EA) options that will be useful and helpful for customers. The 15-minute virtual appointments are working, but they're not reaching all customers. Director Esau asked DRAC members if customers are aware of existing EA options or if the cost discourages some customers from using them.

Delsman (DRAC) said that for commercial projects, most customers are happy to spend the money on EA meetings to help their projects move forward; however, sometimes City staff doesn't have the time to review a project thoroughly before an EA meeting, and this can limit the meeting's effectiveness.

Cropp (DRAC) works with builders doing smaller housing projects – 12 units or less, using single-family building code regulations – and most of those builders are looking to shave costs. Cropp has been able to get some clients to use zoning EA appointments, but thinks the time involved in scheduling and attending EA meetings is the issue. Cropp doesn't use the virtual 15-minute appointments because staff won't commit to what they say in the meetings and won't make a written record.

Eli Spevak (DRAC) uses and likes the 15-minute virtual appointments. Spevak thinks applicants may not realize all the things that can arise or go wrong when they're evaluating a site, and it would be great to provide customers with a checklist of the kinds of questions and issues they need to be aware of for each of the development bureaus and their codes. Cropp (DRAC) concurred.

Sean Green (DRAC) said there has been interest from the DRAC Process Improvement & Technology Subcommittee in finding better ways to estimate the potential costs on a project. Sometimes code requirements can trigger significant costs, particularly for single-family or affordable housing projects, and the information isn't readily available for customers.

Holloway Huntley (DRAC) agreed with Cropp that applicants don't always get firm decisions in EA meetings after spending the money to have them. Huntley asked where information regarding EA options resides; Kim Tallant (BDS) said that EA information is available at [Early Assistance | Portland.gov](#).

Director Esau (BDS) asked for thoughts on how BDS can do better outreach to help customers know what's available. Huntley (DRAC) suggested a TriMet bus ad; Delsman (DRAC) suggested Instagram, which BDS is already using effectively for other information. (*Note: BDS's Instagram handle is @bdsportland*)

### **Regulatory Reform Survey Results**

Ken Ray (BDS) shared the handout ***Housing Regulations Survey Results***. The survey results were just released yesterday and are available at [Rubio, Development Services release results of housing production survey | Portland.gov](#).

Ray (BDS) said the survey was distributed to 3,100 email addresses, including development bureau staff, permit customers, non-profit housing developers, NAIOP Oregon, the American Institute of Architects (AIA), and other development organizations. The survey was also advertised in the BDS *Plans Examiner* newsletter. The bureau received 611 completed surveys.

Green (DRAC) asked if the order of questions was randomized for each survey. Director Esau (BDS) said the questions were listed in alphabetical order on all surveys. Green suggested BDS consider randomizing the order of questions in future surveys, in order to reduce bias.

Huntley (DRAC) asked if BDS considered including questions to solicit information on whether the housing was being developed for sale or for rent, the price point, or income requirements for purchasers. Director Esau (BDS) said the survey covered housing in general and was not restricted to certain categories. Huntley replied that the type of housing being developed determines to some degree what issues are pertinent and what solutions will work.

Spevak (DRAC) asked if the active ground floor space question in the survey was intended mostly for affordable housing developers; if so, there is state legislation that may resolve the issue. Tallant (BDS) heard from the Housing Bureau that ground floor issues are due to other causes. Director Esau (BDS) said the bureau hasn't gotten to that level of detailed analysis yet, but it can be done.

Cropp (DRAC) said clients who do middle housing have said the infrastructure improvements make up a big percentage of overall project costs. Cropp also wanted to make sure that smaller builders are included in the discussion.

#### **Timing of Systems Development Charge (SDC) Payments**

Andy Peterson (BDS) described how the City Council directed BDS to lead multiple bureaus in working on the timing of Systems Development Charge (SDC) payments for new construction with one or more residential units. The multi-bureau team is proposing a deferral of SDCs for a period of 2 years from the time of permit issuance. Commissioner Rubio is supportive of the proposal. Under the proposal, any application for deferral that is received by June 30, 2025 will be eligible. No interest will be charged on deferred fees, and they will be due in full at the end of the deferral.\

Lauren Jones (DRAC) asked about the possibility of allowing staggered payments with no interest, and cited an example of a different city that does this.

Spevak (DRAC) asked what security interest the City would have in a property with deferred SDCs. Peterson (BDS) said it will be the same as it is currently – a lien against the property with no subordination. Jones (DRAC) said it would be good to get feedback from lenders on how they would respond.

#### **RICAP Update**

Phil Nameny (BPS) provided an update on the current Regulatory Improvement Code Amendment Project (RICAP). He noted that the current workplan list has 82 items and is undergoing final review by BPS management.

The workplan items can be grouped into several focus areas, including:

- Ground floor windows/active spaces
- Design Overlay (DOZA) and Historic Resource Code amendments cleanup
- Central City clean up
- Home occupations
- Assessment and possible removal of some old code chapters.

The workplan should be published on the BDS website in early April 2023. Staff will start work on the code amendments in May/June 2023, with a discussion draft going out later this summer. After taking comments, the proposal will go to the Planning Commission and then to City Council in early- to mid-2024. If approved, the changes would go into effect on October 1, 2024.

### **BES Policy re: Sanitary Sewers for Middle Housing Land Divisions**

Stephen Himes (BES) shared the presentation *MHLD Sewer Route of Service Options* as a follow up to a meeting with the DRAC Policy Subcommittee in late January 2023.

Delsman (DRAC) asked if there has been discussion about whether the challenges would also apply to water and power distribution systems. Himes (BES) said that this discussion is just about sewer, which is under BES's purview. Delsman suggested that this topic might be something for the DRAC Policy Subcommittee to look at.

Cropp (DRAC) asked about the process when plumbing appeals are required. Himes (BES) said there is a fairly straightforward administrative appeal process and path to get local approval.

Cropp (DRAC) asked how the decision about individual sewer lines vs. combined works with Urban Forestry's tree requirements. Himes (BES) said they haven't seen that conflict come up yet, but it would be resolved at the staff level. Himes said that this policy change is intended to reduce conflicts.

Matt Rozzell (BDS) said staff is working on a code guide to allow the single sewer for MHLD without an appeal. Sadie Silkie (Water) said there is also a push to make sure that individual metering is available to each lot, in order to benefit low-income community. Water is trying to do header services, but they have to have separate meters for each lot.

**The next DRAC meeting is scheduled for Thursday, April 20, 2023.**

Meeting notes prepared by Mark Feters (BDS).