



City of  
**PORTLAND, OREGON**

Development Review Advisory Committee

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**Development Review Advisory Committee**

Meeting Notes

Thursday, May 19, 2022

**DRAC Members Present:**

Jill Cropp

Paul Delsman

Holloway Huntley

Sam Miller

Martha Williamson

Bobby Daniels

Steffeni Gray

Lauren Jones

Eric Paine

Libby Deal

Sean Green

Steve Lee

Maurice Rahming

**City Staff Present:**

Adrienne Aiona, BES

Ross Caron, BDS

Karen Guillen-Chapman, Comm. Ryan's Office

Douglas Imaralu, Budget Office

David Kuhnhausen, BDS

Phil Nameny, BPS

Andy Peterson, BDS

Kim Tallant, BDS

Terri Theisen, Comm. Ryan's Office

Beth Benton, BDS

Brenda Fahey, BDS

Terry Kimmons, Fire

Erin Mick, Water

Kyle O'Brien, BDS

Colleen Poole, BDS

Dave Tebeau, BDS

Nancy Thorington, BDS

Gabby Bruya, BDS

Mark Fetters, BDS

Elshad Hajiyev, BDS

Kurt Krueger, PBOT

Doug Morgan, BDS

David O'Longaigh, Water

Ken Ray, BDS

Bret Winkler, BES

**Guests Present:**

Krista Bailey, Urban Renaissance Group

Ashley Fleschner, National Assoc. of the Remodeling Industry

Ryan Makinster, Home Builders Association

**DRAC Members Absent:**

Jeff Bachrach

Peggy Moretti

**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 04/21/2022
- Inter-Bureau Code Change List
- 15-Minute Appointments Survey
- Non-Cumulative Cost Recovery Report
- BDS Major Workload Parameters
- BDS Business Continuity Report Summary
- Permit Improvement Task Force Update
- BES Administrative Rule ENB-4.07 Route-of-Service

**DRAC Business**

### 04/21/2022 DRAC Meeting Notes

DRAC Members reviewed and approved notes from the April 21, 2022 DRAC meeting.

#### Announcements

DRAC Chair Paul Delsman noted that the EV-Ready Code Project that was discussed at the April 21, 2022 DRAC meeting is now open for public comment through June 17, 2022. The discussion draft and more information is available at [EV Ready Code Project draft now available for review | Portland.gov](#).

Delsman (DRAC) reminded attendees of the Lunch & Learn information session scheduled for today at 12:00 p.m. to discuss the resuming of customer services in the Development Services Center (DSC). A second session will be held on June 2, 2022 at 12:00 p.m. More information is available at [Lunch and Learn: What to expect in your new Development Services Center | Portland.gov](#). The DSC will reopen to the public on Monday, July 18, 2022.

#### DRAC Member Recruitment Update

Mark Fetters (BDS) noted that the recruitment for the two remaining vacant DRAC member positions (**Home Remodelers** and **Major Facilities Landowners**) closed on May 1, 2022. Fetters (BDS) is reviewing applications and will be interviewing candidates in the next couple weeks.

#### **City / Bureau Updates**

##### 15-Minute Appointment Survey

Brenda Fahey (BDS) shared the presentation **15-Minute Appointments Survey** and discussed responses from customers to the 15-minute appointment service. The overall response has been very positive. Kim Tallant (BDS) noted that the 4000+ land use 15-minute appointments that have been held are in addition to the 10,000 zoning hotline phone calls received each year.

Delsman (DRAC) asked if there are other options for the appointments beyond video conferencing and telephone. Fahey (BDS) noted that in-person services will be addressed in the DSC Lunch & Learn sessions.

DRAC Member Steffeni Gray asked if translation services are available for 15-minute appointments. Fahey (BDS) said there is a process to access translation services for the appointments. Staff tries to identify the need for translation ahead of time when possible.

DRAC Member Libby Deal has used the 15-minute appointments and said they've been great. DRAC Member Jill Cropp also complimented the 15-minute appointment service, noting that they are better quality and provide more consistent answers to questions than previous in-person services in the DSC.

DRAC Member Holloway Huntley agreed and said that from discussions with colleagues who have had challenges with the service, it's been because they have questions that go beyond the scope of the meetings. Huntley (DRAC) said that the [15-minute appointments webpage](#) is clear about the scope of the appointments, but perhaps information could be added about the depth of questions that can be addressed, and that staff may not be able to answer all questions.

Kurt Krueger (PBOT) said PBOT staff has grown to like the 15-minute appointments as well, as it makes it easier for them to prepare when they know when the customers will be there.

#### Public Works Permitting Update

Krueger (PBOT) shared that in the last month Public Works Permitting has transitioned to electronic signoff for plans through DocuSign. This move has dropped printing costs and allows staff to process plans electronically, rather than moving physical plans, saving days and even weeks in the review process. DRAC Member Martha Williamson said the change has made a huge improvement to the Public Works permitting process. Ken Ray (BDS) noted that the most recent edition of BDS's Plans Examiner newsletter has more information about the change: <https://www.portland.gov/bds/get-updates-bds-subscribe-plans-examiner>.

#### BDS Financial Update

BDS Finance & Budget Manager Kyle O'Brien gave an update on BDS's finances and fiscal year (FY) 2022-23 budget. The Mayor's Proposed Budget was released on May 5, 2022, and includes one of BDS's requests - \$124,378 in one-time General Fund monies to add 1.0 FTE to the Empowered Communities Program, which supports homeowners who are BIPOC and/or persons with disabilities to bring their properties into compliance with code, navigate the permitting system, and combat the impacts of the housing crisis, displacement, and houselessness. The additional funding doubles the program's capacity.

The Proposed Budget also includes a note regarding \$2.3 million in one-time General Fund support that BDS received in the FY 2021-22 Spring Budget Monitoring Process (BuMP). These monies are designated to support 12.0 additional FTE in several bureau programs, including land use, plan review, permitting, and inspections. The budget note directs BDS to internally prioritize support for the Neighborhood Inspections Program and to provide the City Council with an assessment of the ongoing funding needs for the program by December 2022. BDS will be working on a request for ongoing (rather than one-time) General Fund support for the program. O'Brien (BDS) said the budget note is a good step in the City Council recognizing the need for ongoing General Fund support for the Neighborhood Inspections Program.

O'Brien (BDS) noted that the City Council will hold a first reading of the Adopted Budget on June 8, 2022, then vote on June 15. The FY 2022-23 budget will take effect on July 1, 2022.

Karen Guillen-Chapman (Comm. Ryan's Office) added that the budget note asked BDS to share the \$2.3 million from the Spring BuMP with the Neighborhood Inspections Program, so that will temper some of the other hiring in other bureau programs.

BDS Deputy Director Elshad Hajiyev said the bureau has a lot of open positions; 7 hires were made in March and 11 more in April. BDS is anticipating an economic recovery, and is expecting revenues to cover these expenditures. Since it takes 6-9 months to fully train new hires, the bureau is filling positions now so they'll be in place when the work picks up.

DRAC Member Sam Miller gave kudos to BDS on its budget, and noted the good problem-solving work BDS staff is doing with customers.

O'Brien (BDS) noted that the City Council approved BDS's fee changes yesterday (proposed fee changes were shared at the April 21, 2022 DRAC meeting). The changes will go into effect on July 1, 2022. BDS fees are increasing 5% on average, though individual fees may be increasing by less or more. BDS will take the fee changes to the Multnomah County Board for approval on June 15, 2022.

More information on BDS's new fees can be found at <https://www.portland.gov/bds/news/2022/4/15/proposed-fee-changes-bureau-development-services-effective-july-1-2022>. Information on how to vest projects in the current fees in effect through June 30 is at <https://www.portland.gov/bds/news/2022/4/15/follow-these-guidelines-submit-permit-application-under-current-fees-july-1-2022>.

#### **Permit Improvement Task Force Update**

Terry Theisen (Comm. Ryan's Office) and Andy Peterson (BDS) shared the presentation **Permit Improvement Task Force Update**. Theisen wants to start pivoting from just sharing updates with the DRAC to getting more input on moving the work of the Task Force forward.

Delsman (DRAC) and Peterson (BDS) discussed the last part of the process before a permit is issued. Peterson said quality control takes place to make sure that fees have been calculated correctly and all required processes have been completed. This takes time at the end of the review process, but the City wants to make sure that everything is correct before a permit is issued.

DRAC Member Lauren Jones said that for large commercial projects, permit fees and SDCs (Systems Development Charges) run into the high 6 figures, and calling money from lenders adds 5 days to the process. If the City could provide applicants even a rough idea of the fees at the beginning of the final quality control process would allow customers to make that call earlier, saving time.

Cropp (DRAC) said that it might be helpful for applicants if there were two separate charts: one for the time between the final technical review and the end of the pre-issuance process, and another from between the end of pre-issuance and permit issuance. Delsman (DRAC) added that a definition of terms on the permit timeline webpage would be helpful (<https://www.portland.gov/permitimprovement/permit-timeline-dashboard>).

#### **Updates to BES Administrative Rule ENB-4.07 (Route of Service)**

Adrienne Aiona (BES) shared the presentation **BES Administrative Rule ENB-4.07 Route-of-Service**.

Cropp (DRAC) asked whether the public sewer extension shown on slide #5 changes in the case of a single tax lot with 3-4 units. Aiona (BES) said – it requires only one sewer lateral. Even if those units have separate water accounts, they can share one sewer lateral.

### **DRAC Policy Subcommittee Update (Economic Opportunities Analysis)**

The DRAC Policy Subcommittee met with BPS staff on May 16, 2022 to discuss an update to the [Economic Opportunities Analysis \(EOA\)](#).

Delsman (DRAC) said it was good to be better informed about the process of analysis. It's easy to fall into the mindset of thinking more short-term, and it's interesting to hear about a longer-term approach to the impacts around equity and housing. Delsman (DRAC) said that BPS needs feedback on some aspects of the analysis; for example, Delsman felt that their finding that there is industrial land available for development is debatable.

### **Open Discussion**

DRAC Members were asked to give updates on what they're seeing in development.

Delsman said that commercial construction is at the same busy level of activity without much significant change. Hiring subcontractors is challenging and they are still seeing supply chain issues with materials, but it seems like people are better informed about those challenges. Inflation is affecting pricing and cost estimating in new ways.

Sean Green has found similar trends in the custom residential market with regard to volume, limited trade partner capacity, and supply chain issues.

Eric Paine has three affordable multifamily housing projects starting in the next few months and is finding it difficult to pin down contractors. Inflation is an issue on the construction cost side, along with the rise in interest rates. They are trying to get projects under construction as quickly as possible before costs go higher. Paine said the market is very robust.

Sam Miller works to support large construction projects that help BIPOC businesses, and is seeing minority firms awarded jobs they wouldn't have been able to get in the past. City Procurement is making great efforts in this. The struggle now is to help companies that have been working under the table to join in.

Maurice Rahming said that labor shortages are an issue throughout the industry and are exacerbated by retirements. There is a need to emphasize and support apprenticeship and pre-apprenticeship programs and promote livable-wage jobs to attract people to the development industry.

Holloway Huntley said that a couple of colleagues have backed out of jobs due to costs rising so rapidly. Huntley is ordering building supplies early and keeping them in storage units, which shifts the cost burden earlier in the project life cycle. Delsman said they're also storing materials because suppliers aren't keeping a lot of inventory on-hand.

Lauren Jones said that rising interest rates are changing their underwriting. They feel hit by everything at once – rising costs, interest rates, and supply chain issues. Jones said that investors are sensitive to the rates, and increases will have an impact on the development environment.

Jones and Delsman broached the topic of converting office space into multifamily housing, which was discussed at a NAIOP/BOMA meeting with City staff yesterday. Jones said conversion opportunities will be limited – they need to have the right building in the right location.

**The next DRAC meeting is scheduled for Thursday, June 16, 2022.**  
Meeting notes prepared by Mark Feters (BDS).