



City of
PORTLAND, OREGON

Development Review Advisory Committee

Development Review Advisory Committee

Meeting Notes

Thursday, September 21, 2023

DRAC Members Present:

Jill Cropp	Bobby Daniels	Libby Deal
Paul Delsman	Sean Green	Holloway Huntley
Lauren Jones	Sam Miller	Peggy Moretti
Eric Paine	Jennifer Santhouse	Eli Spevak
Martha Williamson		

City Staff Present:

Beth Benton, BDS	Megan Beyer, Comm. Rubio's Office	
Gabby Bruya, BDS	Ross Caron, BDS	Rebecca Esau, BDS
Mark Fetters, BDS	Elshad Hajiyev, BDS	Deonte Hawthorne, BES
Stephen Himes, BES	Casey Jogerst, Urban Forestry	Mike Jordan, OMF CAO
Mieke Keenan, Permit Improvement Team		Terry Kimmons, Fire
Kurt Krueger, PBOT	David Kuhnhausen, BDS	Mike Liefeld, BDS
Staci Monroe, BDS	Phil Nameny, BPS	David O'Longaigh, Water
Diane Parke, BDS	Colleen Poole, BDS	Daniel Ramirez-Cornejo, Parks
Dory Robinson, BDS	Matt Rozzell, BDS	Sadie Silkie, Water
Kim Tallant, BDS	Dave Tebeau, BDS	
Terri Theisen, Permit Improvement Team		Ellen Weeks, CAO's Office

Guests Present:

Krista Bailey, Urban Renaissance Group
Ashley Fleschner, Fleschner Construction
Michael Harrison, OHSU
E. Lujan
Suzannah Stanley, Mackenzie

DRAC Members Absent:

Elizabeth Gomez	Steffeni Gray	Maurice Rahming
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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 – August 19, 2023
- Inter-Bureau Code Change List
- Non-Cumulative Cost Recovery Report
- BDS Business Continuity Report Summary
- Housing Regulatory Relief Project

Permitting Consolidation / Charter Transition

City Chief Administrative Officer (CAO) Mike Jordan and Terri Theisen (Permit Improvement Team) updated DRAC Members on the status of the City's Permitting Consolidation and Charter Transition projects. Jordan said that many unknowns remain, but they are working with current City Commissioners and Bureau Directors to develop project workplans.

Charter Transition

Jordan (CAO) said the new charter calls for 12 commissioners from 4 geographic districts. Commissioners will have legislative responsibilities only and will no longer manage City bureaus. The Mayor will be elected citywide and will comprise the executive branch. The Mayor will appoint a City Administrator to manage the bureaus.

A draft City organizational chart is available on the [transition webpages](#). They are taking public comments now before the final draft organizational chart goes to City Council on October 19, 2023. They will then proceed to budget discussions for the new organizational structure.

Permitting Consolidation

Jordan (CAO) said the City Council also passed a [resolution](#) to create single permitting entity for the City, and they put Jordan in the role of transition manager. Permitting consolidation will run parallel to the charter transition process and will involve employees from multiple bureaus. Jordan (CAO) has spoken with the Bureau Directors and management teams from those bureaus and will meet with staff from the bureaus next week. This process will be challenging for the organization, managers, and employees and they are working with a fast timeline given the scale of the changes, especially in the context of charter transition.

Jordan (CAO) stressed that they are committed to continuing the work of the Permitting Improvement Task Force, and the resolution allows them to go back to City Council for additional resources to continue that work. They want to make sure that work doesn't lose momentum, particularly the technology/website improvements. Jordan said they need to have a permit consolidation workplan to City Council by the end of October 2023.

Theisen (Permit Improvement Team/PIT) said that the DRAC has been key to the work of the Permitting Task Force and will be now to permit consolidation. PIT is designated to manage the transition. Theisen said PIT is not abandoning the work that has already been done; staff across the City is engaged in that work and they are seeing positive changes in timelines and culture.

Theisen (PIT) said there are still a lot of unknowns regarding the structure of the new permitting authority. PIT is working on a budget and putting together a project advisory committee composed of City staff from relevant bureaus. Communication and organizational cultural awareness will be huge in this project.

Eli Spevak (DRAC) asked if the new permitting authority will include work in the right-of-way, enforcement, and other areas. Jordan (CAO) said the new entity will really be about the building permit and land use processes, including public works permitting. Jordan didn't know whether it would include enforcement, such as accessory short-term rentals (ASTRs).

BDS Director Rebecca Esau saw the project scope a little more broadly and said there are integral parts of enforcement that are related to permitting. Esau sees the scope as being more inclusive of other parts of BDS.

Jordan (CAO) noted that the resolution isn't clear on the scope of the consolidation and said that all the bureaus involved have questions about the scope. Jordan will work closely with the bureaus and the City Council to put details into the workplan to make things clear. Director Esau (BDS) wants to make sure that the changes make the system work better and said that the point of the resolution was to break down silos by having all related functions in one agency, so they work better together.

DRAC Chair Paul Delsman asked how much of the change has to do with changing codes/regulations, versus re-organizing the people, versus technological compatibility issues. Jordan (CAO) said they're going to do what City Council directed - consolidate staff into one entity. Changing boxes on an organizational chart doesn't change culture. Work has been ongoing re code changes and technology issues and will continue. Theisen (PIT) said that good work is being done in all three areas through the Permitting Task Force. Funding will be important, along with culture and infrastructure to support the work. Director Esau (BDS) added that the technology investments and improvements are key; without them the organizational changes will not be effective.

Sean Green (DRAC) asked if the new permitting entity would be BDS or an entirely different organization. Jordan (CAO) replied that the resolution references a "new entity", but it's hard to envision an entity that's just dealing with permitting, along with a separate BDS; they would have to be in same management structure.

Green (DRAC) said the resolution mentions determining an appropriate number of staff, and asked if the City's 2023 Fall Budget Monitoring Process (BMP) is being considered. Jordan (CAO) said they've spoken with the Mayor's Office but don't know yet if they'll request additional staff for the new entity. They haven't done an assessment of all the bureaus' staffing requirements yet, and they've heard that some of the bureaus aren't optimally staffed currently. Jordan expects that they'll ask for funding in the Spring 2024 BMP for the new entity – for staffing, technology, and code alignment. Jordan noted that the City expects to face multiple years of funding challenges, and one-time funds will be scarce.

Green (DRAC) asked if the BDS Budget Advisory Committee (BAC) will be used as an advisory group for the new permitting entity. Jordan (CAO) replied that it is reasonable to assume that the BDS BAC will give advice, along with the BACs from other bureaus as they have input.

Spevak (DRAC) said that it makes a lot of sense to have all permitting in one place – accessory short-term rentals, noise, public works, right-of-way, etc. Spevak asked whether thought has been given to the roles of the bureaus' various boards and commissions after the reorganization. Jordan (CAO) replied that a review of the efficacy of all City boards and commissions will be part of the transition process, but it will come later. A number of City commissions are written into ordinances, so it will take City Council action to make changes.

Vice Chair Sam Miller (DRAC) said we need to remember that all this will be transitioning to a new and enlarged City Council with a new Mayor and City Administrator, and a lot will depend on them and what they do with the work that's being done now. Miller said the DRAC needs to make sure that it's engaged and active with the parts that are important to members.

Spevak said that from a customer perspective, having all permits (including street closures, short term rentals, public works, noise code variances...) in the permitting bureau would make a lot of sense, and it seems like enforcement should also happen through that bureau. And if the permitting bureau goes rogue in not enforcing (or over-enforcing) BES, Water, PBOT, etc. regulations, there should be an accountability mechanism to re-direct the permitting bureau's ship.

DRAC Business

August 19, 2023 DRAC Meeting Notes

DRAC Members reviewed and approved draft notes from the August 19, 2023 DRAC meeting. Member Lauren Jones (DRAC) abstained.

City Updates

FY 2024-25 Budget Preparation Update

BDS Deputy Director Elshad Hajiyev described two opportunities for DRAC members to participate in BDS's budget development process – the BDS Financial Advisory Committee (FAC) and Budget Advisory Committee (BAC).

The FAC advises BDS on its revenue projections. Since BDS is fee-supported, it's important to have a good grasp on the economy and construction activity. The FAC is composed of local economists and one or two DRAC members. The FAC will meet twice, in mid-November 2023 and early January 2024; meetings are typically 90 minutes long. More information on the FAC is available at <https://www.portland.gov/bds/finance>.

The BAC will meet 3-4 times from November 2023 – January 2024 and will advise BDS on its FY 2024-25 Requested Budget. BAC information is available at <https://www.portland.gov/bds/bac>.

Hajiyev (BDS) noted that FAC and BAC meetings will be virtual (rather than in-person). Delsman (DRAC) noted that this will be a very important year with all the upcoming changes.

Housing Regulatory Relief Project

Phil Nameny (BPS) shared the presentation *Housing Regulatory Relief Project* and gave an overview of the project. Project information is available at [Housing Regulatory Relief Project | Portland.gov](https://www.portland.gov/bds/housing-regulatory-relief-project).

Jill Cropp (DRAC) said BPS has done well at finding the right changes to make. But the earlier survey talked about street improvements and tree code/removal – big things that aren't under BPS's authority but that keep projects from getting developed.

Peggy Moretti (DRAC) noted a lot of good things in the proposal but expressed a few concerns. Moretti said that buildings last at least 50 years and have a profound impact on communities, and thus it's very concerning that design review is being set aside. So much work has already been done to improve design review and there hasn't been enough time to gauge the impacts; to just set it aside has a lot of downsides. Second, we need to define a building/project that has a residential use. It's too easy to add a residential unit to a project to get around a lot of regulations, and a more specific definition will prevent this.

Moretti (DRAC) added that design matters, and it's possible to have a process that ensures good design without hindering development. Nameny (BPS) replied that they're not removing design review; they're giving applicants would be going through a Type III process the option to choose to go through a Type II process. Likewise, going from Type II to Type IX is still a discretionary design review. This change is to give applicants more options; some may still choose to go through the higher level processes.

Nameny (BPS) said they're not seeing a lot of people building commercial projects with just a little residential; they mainly want to build all residential. Also, identifying a percentage of residential that would count leads to questions about how to count common spaces, storage, etc.

Spevak (DRAC) encouraged DRAC members and others to attend the Planning Commission hearing on October 24, 2023. Spevak said there is no upside to putting one residential unit in a commercial building, and there might need to be a threshold if there is enough benefit for applicants to add a unit. Spevak thought it might make sense to apply discretionary reviews to areas outside the central city; design review can add a lot of time to projects, and Spevak has seen developers avoid projects where it's required.

DRAC Focus / Workplan Discussion

DRAC members engaged in discussion regarding the committee's priorities. Delsman (DRAC) encouraged DRAC members to think about their interests and where they want the committee to focus in the coming months.

Miller (DRAC) said the City really needs the DRAC's help right now. Portland is 200,000 houses short of where it needs to be over the next 20 years, and the DRAC needs to hold the City accountable for solutions and be a louder voice for change in the community.

Moretti (DRAC) said the DRAC doesn't talk about the re-use of existing buildings. As the City considers housing needs, sustainability and carbon reduction goals, retention of cultural heritage, and sense of place, Moretti would like more opportunities to discuss how to reuse/repurpose existing buildings. There are lots of empty commercial and office buildings in Portland and public safety issues around seismic concerns. It doesn't always have to be about building something new.

Moretti (DRAC) also reiterated concerns about short-changing or devaluing good design. Delsman (DRAC) cited the University of Oregon renovation of the former Concordia University buildings as an example, and Moretti mentioned the discussions around the reuse of Keller Auditorium.

Director Esau (BDS) suggested that DRAC priorities include at a minimum: 1) Miller's points; 2) Moretti's points; 3) the "Permitting Consolidation" project scope and which functions should be consolidated into this single entity; and 4) housing production and relief as suggested by Cropp. Esau felt that these items reflected the mission of the DRAC:

"The mission of the DRAC is to foster a timely, predictable and accountable development review process that implements the City's goals for land use, transportation, housing, economic development, neighborhood livability and the environment; and advocates for and supports consistent and fair application and implementation of regulations."

Cropp (DRAC) said that over the next year, the DRAC needs to balance being involved in how the new permitting entity will work with some of the shorter-term items that are ongoing. Cropp suggested monthly updates on the transition to the new permitting authority.

Director Esau (BDS) would like to see the DRAC take a more proactive role in permitting consolidation – what the scope should be, what groups should be included, etc. Esau said the DRAC has the knowledge and experience to give valuable input on those decisions as they're working on the project workplan and scope. The DRAC has an immediate opportunity to give feedback and guidance to Mike Jordan (CAO) and the transition team.

DRAC members began to discuss how to get involved in the permit consolidation conversation in the short term. Director Esau (BDS) suggested a letter to CAO Jordan and Terri Theisen (PIT) about the scope of the project and which groups to include in the new entity. Esau clarified the issue is whether the new entity will include BDS in its entirety, or only the groups directly involved with permitting. Esau felt that Jordan's proposal (limiting the new entity to only staff who deal directly with permitting) is too narrow a read of the resolution approved by City Council; the intent was to create one large entity, not to break permitting off and create new silos.

Green (DRAC) – moved to authorize the DRAC chair to write a letter in support of BDS being included in its entirety as part of the new permitting entity. Miller (DRAC) seconded, and DRAC members approved the motion.

Spevak (DRAC) said the letter should express appreciation for the creation of the new entity, then outline what it should include; then a suggestion that liaisons be created between the bureaus regarding their concerns, similar to the meetings/consultations between BPS and BDS when implementing Zoning Code changes. Cropp (DRAC) said the letter should state that consolidation workplan should explain how all these functions will be integrated. Kim Tallant (BDS) noted that BDS has a Memorandum of Understanding (MOU) that outlines how BDS works with BPS for training and consultations. Spevak (DRAC) said that could be a model for other inter-bureau relationships.

Pulse of the Industry

Attendees shared brief industry updates. Delsman (DRAC) said that interest rates are a question mark that has cooled off private development.

Eric Paine (DRAC) concurred, saying that interest rates are killing projects. Supply chain constraints are still there in electrical, and permitting timelines are still an issue; they have projects taking a year to get to work. Paine is hearing more about commercial properties going back to the banks, which may present opportunities to pick up buildings for conversion to residential.

The next DRAC meeting is scheduled for Thursday, October 19, 2023.

Meeting notes prepared by Mark Feters (BDS).