



City of
PORTLAND, OREGON

Development Review Advisory Committee

Development Review Advisory Committee
Meeting Notes
Thursday, August 15, 2024

DRAC Members Present:

- | | | |
|--|--|---|
| <input checked="" type="checkbox"/> Sam Miller, Chair | <input checked="" type="checkbox"/> Eli Spevak | <input checked="" type="checkbox"/> Kym Nguyen |
| <input checked="" type="checkbox"/> Sean Green, Vice Chair | <input type="checkbox"/> Elizabeth Gomez | <input type="checkbox"/> Maurice Rahming |
| <input checked="" type="checkbox"/> Amy Vohs | <input checked="" type="checkbox"/> Jennifer Santhouse | <input checked="" type="checkbox"/> Peggy Moretti |
| <input checked="" type="checkbox"/> Andy Dykeman | <input checked="" type="checkbox"/> Jill Cropp | <input checked="" type="checkbox"/> Sam Rodriguez |
| <input checked="" type="checkbox"/> Bobby Daniels | <input checked="" type="checkbox"/> Kristian McCombs | |

City Staff Present:

Anthony Martin, BES	Erika Lopez, PIT	Matt Rozzell, PP&D
Beth Benton, PP&D	Jillian Schoene, Comm. Rubio	Morgan Tracy, BPS
Clark Goldenrod, PBOT	Ken Ray, PP&D	Rochelle Hunter-James, PP&D
Colleen Poole, PP&D	Kimberly Tallant, PP&D	Ross Caron, PP&D
David Kuhnhausen, PP&D	Kurt Krueger, PP&D	Stephen Himes, PP&D
David O'Longaigh, PWB	Kyle O'Brien, PP&D	Taylor Barnes, PP&D
David Tebeau, PP&D	Leesha Posey, PP&D	Terri Theisen, PIT
Doug Morgan, PP&D	Lisa Chin Mihaly, PP&D	Terry Kimmons, PFB
Ellen Weeks, PIT	Mathew Berkow, PBOT	Zsolt Lehoczky, PP&R
Elshad Hajiyev, PP&D		

Guests Present:

Paul Delsman, Howard S. Wright

Meeting documents are available at the [Development Review Advisory Committee \(DRAC\) Past Events Webpage](#)

Meeting Notes

8:00 – 8:15 - DRAC Business

Welcome New DRAC Member

Sam Miller, DRAC Chair

Andrew Dykeman

DRAC Chair Sam Miller introduced the remaining new DRAC member, Andrew Dykeman, who will be serving on the committee representing Large Construction Contractors.

Dykeman was invited to introduce himself and share a bit about his professional background; he's currently serving as Director of Commercial & Civic Construction at Lease Crutcher Lewis, and is currently serving as Vice-Chair of the Oregon Building Code Structures Board. He also emphasized his excitement at the opportunity to support the DRAC committee.

Review 4/18/2024, 5/16/2024, & 7/18 DRAC Meeting Notes

Sam Miller, DRAC Chair

DRAC Chair Miller acknowledged that the committee had not reached quorum for the last several months, and asked members to review and approve meeting notes from April, May, and July DRAC meetings. (Members who were not present for any of the above listed meetings abstained from voting.)

Motions were introduced and seconded to approve each draft of meeting notes. No objections were raised, and all three motions were approved.

8:15 – 8:20 - Announcements

General Updates

Ken Ray, PP&D Public Information Officer

PP&D Public Information Officer Ken Ray reminded the committee that they can subscribe to the Plans Examiner, a monthly newsletter from PP&D to receive more information about in-progress or upcoming development projects. To explore past issues or sign up for email newsletters, please visit: <https://www.portland.gov/ppd/plans-examiner-newsletter>.

8:20 – 8:40 - PP&D/Permit Improvement Team (PIT) Work Plan Overview

David Kuhnhausen, PP&D Interim Director

Terri Theisen, Permit Improvement Team (PIT)

PP&D Interim Director Kuhnhausen and Terri Theisen from the Permit Improvement Team were in attendance to Present an update on the Permit Improvement Team Workplan. (See presentation slides linked [here](#) for more information.)

Interim Director Kuhnhausen explained that when Portland Permitting & Development went live on July 1, the main priorities of PIT and bureau leadership was to ensure that staff had a smooth transition to the new organization and to grow a deeper understanding of new staff needs and roles. There continues to be ongoing bureau-wide communication, info-gathering efforts, and work to refine the bureau's technology infrastructure.

Theisen explained that PIT is still charged with leading, coordinating, and building capacity for the city-wide permit improvement effort, and they are continuing to collaborate with many teams in PP&D, as well as outside of PP&D, to move this work forward. The PIT team's 2024-2025 workplan focus includes:

- Customer Support
- Process & Workflow Improvements
- Code & Policy Clarity
- Funding & Staffing

Q: Once bureau staff and workgroups have provided recommendations, will those be brought before DRAC to advise?

A: Theisen explained that once the PIT team has identified prioritized improvements, they will bring those to customers and ask for feedback/suggestions.

Q: Has improving permit timelines been part of the ongoing analysis?

A: Yes, timelines continue to be a large focus of the analysis; main goals are to save time and improve efficiency. Current state of city code and regulations are a huge part of delays/slowed timelines. Recent staffing reductions can also impact timelines.

Q: Are Landmark design or historic reviews included in process improvement timelines?

A: Not at this time, because there are several new codes and regulations that impact those projects. Additionally, with newly established exemptions and standards in place, there are significantly less projects going through those review processes.

8:40 – 9:55 - Portland Permitting & Development (PP&D) Budget and Finance Update

Elshad Hajiyev, PP&D

Kyle O'Brien, PP&D

A budget and finance update was provided by PP&D Deputy Director Elshad Hajiyev and PP&D Budget & Finance Manager Kyle O'Brien. Since the last budget presentation to DRAC, the city finished the 24-23 fiscal year and adopted the new budget. Fee changes also went into effect on July 1.

O'Brien presented financial slides to illustrate (linked [here](#)); he is seeing some positive trends, as PP&D is seeing some higher cost recovery rates this summer, mostly due to staff reductions.

Bureau leaders recently met with the Financial Advisory Committee and got updates and insight into what construction activity might look like in Portland for the next 12-24 months. When they last met in January, the committee expected an 18-24 month economic downturn. In the meantime, interest rates have not come down from the FED as quickly as expected; however, it's still expected that the city will begin to see improvements in approximately 12 months.

Q: Why aren't we seeing a significant drop in expenditures due to staff layoffs?

A: The numbers for the new fiscal year haven't yet been split out by program, so they don't represent a true 1:1 when compared to last year's BDS budget. Also, despite BDS staff reductions, PP&D absorbed approximately 50 new employees with the consolidation of permitting-related roles, so those new additions will significantly impact the cost savings from prior staff layoffs. Additionally, fee revenue is delayed by a month, so there is a lag in data. (Note: The best comparison to see the fiscal impact of last year's staff reductions would be accomplished by comparing November 2023 numbers to March 2024.)

8:55 – 9:10 - Web Alignment Project: Discovery Phase Results & Next Steps

Erika Lopez, Permit Improvement Team (PIT)

Lisa Chin Mihaly, PP&D Communications

Erika Lopez from the Permit Improvement Team (PIT) and Lisa Chin Mihaly from the PP&D Communications team reported on the progress of the Website Alignment Project. (Please see presentation linked [here](#).)

Lopez and team have completed the discovery process, holding several workshops with staff, customer interviews, and worked to build out unique customer profiles to assist with analysis. Their findings were presented during a drop-in event for staff. Milestone accomplishments include a Discovery Findings Report, User Profiles, and Design Concepts.

The team is now working through website analysis based on identified customer personas, creating customer journey maps to track the customer experience, and printing high-level prototypes of potential layout mockups. Project Key Performance Indicators (KPIs) are currently being identified, but may include details such as application processing time, approval rate, online adoption rate, self-service rate, etc.

Next steps for the larger website improvement team will include a design phase (clickable prototypes), implementation planning, development and testing, training and change management, and more.

Chin Mihaly explained that PP&D will be focused on "low hanging fruit" projects such as completing PP&D/transition-related rebranding, implementing discovery results with an end-user focus, and

increasing collaboration with BTS and the eGov team. Additional areas of focus include reducing redundant information across PP&D webpage and clearly communicating changes to customers as they are rolled out.

9:10 – 9:20 - New Single Family Residential (NSFR) Permit Digital Intake Metrics

Ellen Weeks, Permit Improvement Team (PIT)

Rochelle Hunter-James, PP&D Residential Permitting Services Supervisor

DRAC received an update on the New Single Family Residential (NSFR) intake process from PP&D Residential Permitting Services Supervisor Rochelle Hunter-James and Ellen Weeks of the Permit Improvement Team (PIT). She shared that the recent shift to an updated online intake process has yielded positive results. The main goal of this project has been to improve application intake quality and reduce the number of customer follow-ups; the team is getting feedback those goals have been met due to the thoroughness of the new digital questionnaire as well as its interactive capabilities. Feedback indicates that reviewers are getting all required information and more complete applications.

Weeks shared some data points to illustrate –

- The new NSFR intake process launched on April 25, 2024
- 192 NSFR permit applications have been processed since go-live
- While data is preliminary, results appear promising when compared to last year's data:
 - 2024 Return rates down to 17% from 36% in 2023
 - Average of 1.0 Checksheet issued in 2024, compared to 1.7 Checksheets in 2023
- (For more information, see 90-day update presentation linked [here](#).)

Next Steps:

- The PIT team will prioritize future intake projects
- They will also be focusing on building out continuous and reliable reporting capabilities

9:20 – 9:40 - Adjustments to BES Residential System Development Charges (SDCs)

Anthony Martin, BES Financial Planner

Stephen Himes, PP&D Public Infrastructure Development Review Manager

The final presentation of the morning was provided by BES Financial Planner Anthony Martin and PP&D Public Infrastructure Development Review Manager Stephen Himes, clarifying recent adjustments to Bureau of Environmental Services (BES) Residential System Development Charges (SDCs).

Martin explained that July 1 changes to BES SDCs were intended to simplify the ways that the bureau calculates charges, allowing them to charge fees more accurately based on home size. However,

Residential SDCs were recently adjusted after July 1 implementation to account for unintended impacts and higher-than-expected fees being charged.

Two main issues were noticed after the July 1 implementation of SDC adjustments; first, SDCs were for the first time levied for residential alterations and additions, despite a lack of communication to staff and the public. Second, Sanitary SDCs for residential development were calculating to higher totals than expected.

To remedy these issues, BES took immediate action to correct the above, pushing pause on the collection of SDCs for residential additions, and applying a 40% discount to all Residential SDCs. The 40% SDC reduction aligns with the intended outcomes of recent adjustments; it was implemented via rule change and backdated to affect any applications submitted after the July implementation date.

Please see [this presentation](#) for more details.

Next steps:

- BES is currently changing the bills calculated in July to align with the above 40% adjustments.
- No customers will receive a bill that reflects unadjusted costs
- The bureau is identifying communication needs for recent SDC changes
- Also in the process of adopting above temporary policy changes as permanent rules
- Continue to review results

9:40 – 10:00 - Pulse of the Industry

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- DRAC Member Jill Cropp shared that infill middle housing development is currently busy; she has been seeing more customers who aren't professional developers, but who own rental properties interested in adding up to 3 additional units on some properties. She sees this as an outcome that was hoped-for with the implementation of the Residential Infill Project (RIP).
- Similarly, DRAC Member Eli Spevak shared that he will soon be wrapping up two RIP 6-plex projects, and may be beginning work on up to 15 more units. His work on the 6-plex was a bit of a "guinea pig project" to find out the difficulty of completing an RIP project of that size; it was successful.

The next DRAC meeting is scheduled for Thursday, September 19, 2024.

Meeting notes prepared by Taylor Barnes (BDS).