



City of  
**PORTLAND, OREGON**

Development Review Advisory Committee

**Development Review Advisory Committee**

**Meeting Notes**

**Thursday, January 21, 2021**

**DRAC Members Present:**

Jeff Bachrach	Alexander Boetzel	Claire Carder
Paul Delsman	Sean Green	Holloway Huntley
Lauren Golden Jones	Jennifer Marsicek	Martha Williamson

**City Staff Present:**

Beth Benton, BDS	Angela Butel, Budget Office	Ross Caron, BDS
Rebecca Esau, BDS	Brenda Fahey, BDS	Mark Fetters, BDS
Darryl Godsby, BDS	Elshad Hajiyeve, BDS	Sarah Huggins, Parks
Casey Jogerst, Forestry	Kurt Krueger, PBOT	David Kuhnhausen, BDS
Erin Mick, Water	Teresa Montalvo, PBOT	
Chariti Montez, Comm. Ryan's Office		Doug Morgan, BDS
Dawn Morris, Forestry	Phil Nameny, BPS	Kyle O'Brien, BDS
David O'Longaigh, Water	Andy Peterson, BDS	Leesha Posey, BDS
Ken Ray, BDS	Elisabeth Reese-Cadigan, BES	Jessica Ruch, BDS
Nate Takara, Fire	Kim Tallant, BDS	Dave Tebeau, BDS
Gwen Thompson, Comm. Ryan's Office		Nancy Thorington, BDS
Dory Van Bockel, Housing	Duane Whitehurst, BDS	

**Guests Present:**

Krista Bailey, Urban Renaissance Group	Mike Coyle, Faster Permits
Ashley Fleschner, NARI	Allison Reynolds, Stoel Rives
Suzannah Stanley, Mackenzie	

**DRAC Members Absent:**

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

- Draft DRAC Meeting Notes 12/17/2020
- Inter-Bureau Code Change List
- Removing Barriers Discussion Updated 01/19/2021
- Removing Barriers NAIOP/BOMA Input
- Permitting & Technology Updates
- Non-Cumulative Cost Recovery Report
- BDS Major Workload Parameters
- BDS Business Continuity Plan Summary
- Draft DRAC Annual Report (Updated)
- Upcoming City Council Agenda Items

### **Convene Meeting**

DRAC Chair Paul Delsman convened the online meeting and welcomed DRAC members, City staff, and guests.

### DRAC Meeting Notes

DRAC members reviewed and approved notes from the December 17, 2020 DRAC meeting.

### Membership Update

Mark Feters (BDS) said that BDS launched a DRAC membership recruitment effort that will continue through February 26, 2021. Information on the recruitment can be found at <https://www.portland.gov/bds/news/2021/1/8/new-applicants-sought-development-review-advisory-committee-deadline-feb-26>, and an application is available at <https://www.governmentjobs.com/careers/portlandor/jobs/2938699/volunteer-non-paid-position-on-the-development-review-advisory-committee?page=2&pagetype=jobOpportunitiesJobs>. Ken Ray (BDS) noted that information was also posted on BDS's social media channels (Facebook, Twitter, Instagram, LinkedIn, Nextdoor).

### Chair /Vice Chair

Feters (BDS) reminded DRAC members of the need to elect a Chair and Vice Chair for 2021. After discussion, members voted unanimously to re-elect Paul Delsman and Martha Williamson as Chair and Vice Chair (respectively) for 2021.

### **Continue Discussion – Removing Barriers & Stimulating Development in Response to Economic Crisis**

DRAC members reviewed the handouts ***Removing Barriers Discussion Updated 01/19/2021*** and ***Removing Barriers NAIOP/BOMA Input*** and continued their discussion from the December 17, 2020 DRAC meeting.

DRAC Member Sean Green asked about the possibility of time-certain appointments with the other development review bureaus (beyond BDS), and whether BDS could help coordinate getting answers from the other bureaus about pre-development. Kurt Krueger (PBOT) said that PBOT is participating on a limited basis, but there is not enough staffing to support it full-time. Green (DRAC) asked BDS staff to include a link on the website as to how to access those services. BDS Director Rebecca Esau noted that BDS is working on restoring 15-minute consultation appointments virtually via Microsoft Bookings.

Director Esau (BDS) noted that BDS is moving forward with layoffs of some non-represented staff. A second phase of layoffs involving represented employees will occur at a later time, and will have more impacts on service delivery. The bureau will revisit the second phase in May or June, when the FY 2021-22 budget is clear. BDS plans to request General Fund support.

DRAC Vice Chair Martha Williamson discussed inter-bureau coordination, from the NAIOP/BOMA list, and stressed the need to have someone who can make decisions when the development review bureaus disagree. Delsman (DRAC) asked if PBOT's Streets 2035 project ([Streets 2035 | The City of Portland, Oregon](#)) will help with this. Krueger (PBOT) said the project still has a ways to go, and with staff working remotely, it's harder to resolve issues between bureaus. Williamson (DRAC) said that with public works permits, it's not always a disagreement between bureaus; it can be one bureau being difficult.

Director Esau (BDS) convenes a group of bureau directors with staff who do development review, and offered to convene that group and work with managers from the other bureaus to address issues.

Delsman (DRAC) said that the public works permitting process takes so long that firms end up applying too early, before the project is thought through, and this ends up causing problems down the road. Delsman said it would help if the public works permitting timeline were aligned with building permit timelines; currently the public works timeline can be twice as long.

Krueger (PBOT) wasn't sure how to get inter-bureau conflicts quickly brought to managers; conflicts happen at the staff level, and customers may be reluctant to escalate them. Krueger suggested creating a dedicated "conflict" email box for customers to notify the bureaus when conflicts arise.

Green (DRAC) said that if there was an individual who could resolve disputes, it would save money over time. Green said that nearly all other jurisdictions have a professional staff person who is able to resolve these types of conflicts, and it seems reasonable to ask for something similar in Portland. Green moved to authorize the DRAC Chair to send a letter to the City Council advocating for a single person to resolve permitting conflicts, but after discussion pulled the motion. Krueger (PBOT) said that if DRAC brings the issue of interagency conflicts to the City Council, it would be good to have 2-3 good examples of the types of conflicts that arise so they can understand the problem.

DRAC Member Jeff Bachrach offered that it doesn't seem realistic that the Mayor is going to put a "permit czar" in place, and said DRAC may need to come up with a more practical alternative.

Delsman (DRAC) noted that inter-bureau coordination and the need to avoid staff layoffs seemed to be bubbling to the top of the lists of ideas. Bachrach (DRAC) asked about Andy Peterson's project from the NAIOP/BOMA list.

Peterson (BDS) said the main part of the project is an opportunity to use temporary use/occupancy to give people a way to get into spaces quickly with limited permitting processes. The project makes use of the building code appeal process and Fire Bureau temporary use permits, with the occupancy duration limited to 180 days. They focused on criteria that would limit changes that would trigger Zoning Code requirements. Peterson said it would be challenging to use the process for restaurants, but it works well for other retail uses. BDS has already partnered with Prosper Portland to use this process on a downtown building, and it worked well. Peterson will be sending a project summary to the NAIOP/BOMA group this week for review, and BDS will then launch the project for general use.

Suzannah Stanley (Guest) asked if the Process to Resolve Development Review Delays, enacted in 2004, (<https://www.portlandoregon.gov/citycode/article/42992>) applies to PBOT/Public Works and is still in use. Krueger (PBOT) replied that conflicts aren't bubbling up to managers' attention. Most issues don't need bureau director involvement and can be resolved at manager level, but there needs to be a way to make managers aware when conflicts exist. BDS Director Esau agreed.

Stanley (Guest) shared a link to a Process Resolution flow chart on the City's website (<https://www.portlandoregon.gov/shared/cfm/image.cfm?id=42993>), and said that customers are not aware of it. Green (DRAC) suggested sending information on the resolution process with permit checksheets.

Delsman (DRAC) asked if Krueger's email idea would constitute a good mechanism. BDS Director Esau said it would be a good idea and could be set up quickly. Williamson (DRAC) said it would need to be a really big issue to warrant escalation, and there needs to be a way to get smaller issues resolved quickly. BDS Director Esau agreed that many issues can be resolved at a lower level, and will work with the other development bureaus to set up an email box and a process for administering it.

Bachrach (DRAC) suggested adding the Regulatory Improvement Code Amendment Process (RICAP) to the list of ideas. It would provide a way for BPS and BDS to do housekeeping work on the code, which hasn't happened for years due to budget concerns.

DRAC members discussed BDS's impending layoffs. The issue is that BDS's dependence on fee revenues leads to a boom/bust cycle, where the bureau has to cut staff now, then when recovery comes will have to rehire and train staff who don't have institutional knowledge. Director Esau agreed that this dynamic throttles development review when it's most needed. Director Esau said this is why BDS is asking for General Fund support to see the bureau through until recovery comes.

Delsman (DRAC) noted that BDS received more General Fund support in the past, and asked why that changed. Director Esau said it was a decision the City Council made in the 1980s. The BDS Land Use program has been gradually weaned off General Fund support and onto fee revenue. Director Esau expressed support for restoring a balance of funding that includes some General Fund support.

Green (DRAC) thought the current states of emergencies (housing and COVID) allow for zoning flexibility, and asked if this flexibility can be applied to temporary use permits. Kim Tallant (BDS) replied that the Temporary Activities Chapter in the Zoning Code can be used for emergencies, related to housing and COVID. It has mainly been used for shelters. It is not intended to allow permanent changes to buildings.

Director Esau will share this information (along with the idea lists from the DRAC and NAIOP/BOMA) with Commissioner Ryan. Chariti Montez (Comm. Ryan's Office) thanked DRAC members for engaging in the conversation.

### **Inclusionary Housing Update**

Dory Van Bockel (Housing Bureau) gave an update on Inclusionary Housing (IH). IH regulations went into effect in February 2017, and the City is now looking at making a couple changes: new fees to support staffing and changes to administrative rules regarding the reasonable equivalency and reconfiguration options.

Van Bockel said the new fees are needed support the staff required to do IH review work, similar to other review fees. The new fees haven't been finalized yet, but will become effective on July 1, 2021. DRAC Member Lauren Golden Jones said customers need early knowledge of the fees – at least their magnitude. Van Bockel said the fees are generally smaller – maybe a few hundred dollars for permit review. The largest is a Multnomah County pass-through fee of \$850 per unit, up to \$9,000 per project.

DRAC Member Jennifer Marsicek asked if there will be a fee waiver for projects that are voluntarily going through the IH program; Van Bockel said the fees will apply to all projects.

Van Bockel said the administrative rule changes are on the Housing Bureau (PHB) website at <https://www.portland.gov/phb/news/2021/1/20/notice-issuance-draft-permanent-administrative-rules-inclusionary-housing>, and will be published in the Daily Journal of Commerce tomorrow. The rule changes won't be finalized for another 60 days. The changes are designed to manage consolidation; the program applies on a permit by permit basis, but each site with multiple buildings can consolidate the IH requirements into one of those buildings. Interim rules were put in place last fall, and they are now moving to the public input phase before making the rules permanent.

Jones (DRAC) asked if PHB has reported on whether IH is meeting its goals. Van Bockel said PHB is not undertaking a policy review of the program, but does report to the City Council, Planning & Sustainability Commission, and Housing Commission. A couple hundred units have come to market, with another thousand in the pipeline. The program has had some success. PHB budgeted in the prior year to do a study on performance, but then COVID hit, and the funding has been earmarked for other work.

Allison Reynolds (Guest) asked whether the new rules would apply to projects already in the pipeline. Reynolds' firm has several IH projects that have already gone through design review and/or are in for building permit and are planning to use reconfiguration. Some shifting around is definitely possible, but changing unit sizes or the expected unit mix is definitely tougher after the building is planned. Van Bockel said the changes will apply only to projects that have not been vested in current code.

#### **BDS Services Updates**

Brenda Fahey (BDS) and David Kuhnhausen (BDS) shared the presentation *Permitting & Technology Updates*. Kuhnhausen said BDS is almost done with using the appointment process for submitting building permits. Permits submitted via appointment are now being looked at within 24 hours, and staff has begun looking at permits submitted via DevHub.

Green (DRAC) reported receiving emails saying that fees need to be paid within 5 business days when submitting permits through DevHub, and asked if that is being followed. Kuhnhausen offered to investigate and follow up. Director Esau agreed that 5 business days is too short of a timeframe for paying fees, and asked for feedback on setting reasonable deadlines. Green suggested a minimum of 45 calendar days.

Kuhnhausen said the current queue of submitted projects is viewable at <https://www.portland.gov/sites/default/files/2021/intk-customer-queue-online-pdf.pdf>. The list will be updated daily and provide a way to track individual projects.

Marsicek (DRAC) asked how much time will elapse between completion of reviews and issuance of checksheets for customers to respond. Marsicek said they are seeing a lag, where reviews have been completed but checksheets haven't been issued, so there is no way to respond. Kuhnhausen (BDS) said checksheet issuance is a manual process, so there is a time lag, but it shouldn't be more than a day or so.

Elisabeth Reese Cadigan (BES) said that BES responds to their telephone hotline within 24 hours and anticipates that will continue to meet customer needs. However, they will monitor this project and adjust their participation as necessary.

Green (DRAC) asked Reese Cadigan if there is a way to setup a time-certain meeting to ask questions, similar to how project teams could go into the Permit Center and ask questions before COVID. Reese Cadigan said their reviewers are generally available for ad hoc meetings. Customers can contact their reviewer directly or call the hotline and to set up a time.

Casey Jogerst (Urban Forestry) said that Forestry has notified BDS that they are interested in hearing how implementation goes, obtaining data on whether there is a desire/need from applicants for Forestry to participate as they have a tree hotline (823- TREE and trees@portlandoregon.gov), and a better understanding of how they could staff it with existing staff resources. They look forward to hearing from BDS on the above to further consider their participation.

### **BDS Financial Update**

BDS Finance Manager Kyle O'Brien gave an update on BDS's finances. BDS continues to draw on reserves at an average of over \$2 million per month. O'Brien referenced the handouts **Non-Cumulative Cost Recovery Report**, **BDS Major Workload Parameters**, and **BDS Business Continuity Plan Summary**. BDS's budget request is due on January 29, and includes several requests for additional General Fund support - one request for the entire bureau to forestall layoffs, plus other requests for specific needs.

O'Brien thanked Delsman and Green for their participation on BDS's Budget Advisory Committee (BAC) and Financial Advisory Committee (FAC). The FAC agreed with BDS's financial projections, which anticipates lower revenues in FY 2021-22, possibly some rebound in FY 2022-23, and more average growth in the following three years.

BDS Deputy Director Elshad Hajiyev said BDS is proceeding with the first phase of layoffs, and will be notifying impacted employees next week. The 13 employees affected do not provide direct services to customers, and BDS doesn't anticipate changes to its service timelines. The layoffs will be effective March 1. The Phase 2 layoffs will be delayed until June or July, while BDS waits for approval of its budget requests. BDS is asking for \$11-12 million in General Fund support, and will have a better idea of what to expect when the Mayor's proposed budget is released in April.

DRAC Member Claire Carder asked how the DRAC can help emphasize the importance of BDS's budget requests, in light of the Mayor's request for ideas to remove barriers to development. Carder suggested the DRAC submit a letter in support of BDS's budget request and address the impact of layoffs. Delsman and Green expressed support.

### Motion

Green (DRAC) made a motion for the DRAC Chair to send a letter to the City Council to appoint single person to resolve permitting conflicts and to support BDS's requests for General Fund support. Jones (DRAC) replied that these are two separate issues, and that it would be good to flesh out the concept of a single person further before making a recommendation.

After discussion, Green pulled the first motion and made a new motion for the DRAC Chair to send a letter to the City Council in support of BDS's budget request. Carder seconded the motion, and it was unanimously approved.

### **DRAC Annual Report**

Fetters (BDS) referenced the handout ***Draft DRAC Annual Report (Updated)***. Montez (Comm. Ryan's Office) will review the updated version with Commissioner Ryan and discuss the timing of the DRAC's presentation in the context of BDS's budget requests and the audit report. Montez will report back to the DRAC.

### **Industry Updates**

Delsman (DRAC) shared a link to a *Willamette Week* article regarding investors' lack of confidence in Portland and the implications for development (<https://www.wweek.com/news/2021/01/20/a-key-indicator-of-real-estate-investors-interest-in-portland-shows-a-precipitous-decline/>).

Carder (DRAC) discussed the shutdown of the Southwest Neighborhood Coalition that has supported southwest neighborhood associations and possible implications for the land use notification process. Carder said that some notifications aren't getting through or are being delayed to the Coalition shutdown. Tallant (BDS) said BDS is meeting City Code notification requirements by sending notice to the Neighborhood Association and Coalition parties listed on the Office of Community & Civic Life's website; they are required to use that directory. Tallant said the issue is on the neighborhoods' end; Carder agreed that BDS is doing what it should, but said the intent of the process is not being met.

**The next DRAC meeting is scheduled for Thursday, February 18, 2021.**  
Meeting notes prepared by Mark Fetters (BDS).