

DATE: April 8, 2020

TO: Mayor Ted Wheeler, City of Portland

CC: Kimberly Branam, Director, Prosper Portland

Shannon Callahan, Director, Portland Housing Bureau

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RE: Urgent Actions Needed to Expedite Housing Investment

The top priority for economic recovery is the effective implementation of Governor Kate Brown's Executive Order 20-12, to stay home, save lives. We must place the safety of our community above all else by following this mandate.

As we head into the third week of the Governor Brown's executive order, it is critical that we work together on ways to prioritize our economic policies within the parameters set. We must find opportunities to stabilize our region's economy now and lay the foundations for sustainable and equitable growth in the future. To that end, we call on the City of Portland to meet its responsibility in continuing the production of housing at all levels of affordability, as Governor Brown has allowed with appropriate social distancing protocols.

Our city, state and region faces a serious deficit on adequate housing supply. Over the last decade, our region vastly underbuilt housing to meet the needs of our growing population.

According to economic analysis done by trusted experts at ECONorthwest and featured in Portland Business Alliance's 2020 State of the Economy report, our region is at a 23,000-unit housing deficit. As the report states, regional housing construction was only beginning to catch up to the need and recovery from the Great Recession when additional regulations were adopted in 2017. Those actions significantly slowed the pipeline of housing production.

Recently, both Portland and Metro region officials received voter support to provide resources to construct affordable housing. Every effort should be made to expedite the expenditures of these resources, and conversely, every effort should be taken to reduce the barriers to the construction of market-rate housing.

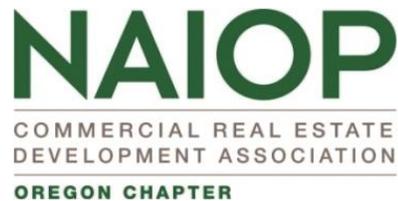
We call city leaders to act now to ensure housing at all levels of affordability can continue to be produced, in order to maintain jobs in construction and generate new property revenue by creating new housing units. We cannot afford to fall further behind on housing production while we wait for this public health crisis to abate.

Housing production is our greatest untapped potential for a recovery in middle-wage jobs and would simultaneously address the rising cost of living by reducing rents and housing prices because of new supply. Additionally, construction jobs are local jobs and not at risk of competition. There is no more readily available lever with which local policymakers can restore and recover economic activity than allowing housing construction to activate now to address both our housing shortage and the need for jobs.

We have worked together to develop this list of actions the Portland can take to continue – and accelerate – the development of new housing (see below). We collectively urge you to put this into action with the urgency that our economic downturn and ongoing housing crisis demands.

Thank you for your attention to all efforts that will help our city’s economy recover and provide future resiliency for our region.

Sincerely,



Recommendations for Portland Housing Action Plan for Economic Recovery and Resiliency

PERMITTING & INSPECTIONS:

1. At a minimum, keep a pipeline of projects moving forward by adequately staffing, resourcing and coordinating bureaus responsible for permitting, plans review, and inspections so projects can continue without delays. This includes:

- Begin accepting new building permit applications, while temporarily prioritizing health and digital infrastructure. Continue processing all housing permit applications, not just affordable housing sponsored by the Portland Housing Bureau.
- Expand the use of video, photo and other electronic inspections to occur, as well as social distancing best practices to allow in-person work to continue as necessary.
- Allow demo permits for issued permits or permits in processing to go in as an appendage. One is not useful without the other.
- Concurrently processes public works permit and building permit prior to the final resolution of land use applications
- Background: Currently, the city's Bureau of Development Services (BDS) will take in a building permit before final approval of a land use application, but Portland Bureau of Transportation (PBOT) often refuses to take in public works permits until the land use is complete, even when there is full support from the neighborhood association and BDS intends to approve the amendment.
- Ensure all BDS and bureau permitting staff have the resources and technological capabilities to work from home to process permits.
- Allow digital signatures on all land use application and permit documents
- Accept all permit documents in digital format. Fully electronic submissions require no face-to-face contact at the permit center.
- Reemphasize efforts to streamline inter-bureau coordination

2. Steps to speed up permitting. The city can do this by:

- Increasing city personnel assigned to review building permit submittals, allowing for permits to be issued faster, with required completing dates that staff are accountable to meeting.
- Releasing check sheets and allow responses to those check sheets *as they are ready*, rather than waiting for all to be completed by bureaus (projects often wait for one bureau that is significantly behind, holding up the entire project)

- Adhering to the 120-day timeline, even if waivers have been signed, or eliminate the waiver requirement and commit to the 120-day timeline as required by state law.
- All housing projects should receive equal attention.

3. Deem permit applications as complete. Schedule and hold required public hearings virtually.

- Background: BDS is asking project applications to defer being deemed as complete because staff can't schedule a public hearing that adheres to 51-day code deadlines. This puts applicants in a tough spot. Applicants who agree to not become complete will be at a disadvantage, timing-wise, to those who do. In addition, there is already a backlog of projects whose hearings were scheduled and postponed. Staff plan to reschedule those hearings first before any new hearings.

4. Allow Design Commission and Historic Landmarks Commission meetings to continue, utilizing teleconferencing if necessary.

- Reduce the scope of design commission review to projects requesting variances and disallow deadlock votes by the commission.

5. Temporarily waive neighborhood meeting requirements for new development proposals and adjust public posting requirements.

- Background: Physically posting notice at sites is extremely challenging because large format signs are difficult to procure while most retail businesses are closed. BDS has an online posting map for neighborhood contact and typically this "digital posting" is required in addition to the physical signs; this virtual system should be allowed to fulfill the requirement in lieu of signs.

6. Broaden private-sector inspection from the limited "special inspections" scopes occurring today to all inspections needed.

- Background: The private sector could choose to wait for a free City inspection or could opt to pay established private sector licensed firms to complete an inspection. This would keep construction sites moving and would help A&E firms retain more staff.

ENTITLEMENTS:

7. Grant an 18-month extension on entitlement deadlines due to the current slow-down in permit processing and volatile economic conditions.

- Background: Some projects that have been years in the process and are in jeopardy of losing entitlements. Extending those dates by six months would decrease the risk of developers losing those entitlements and potentially those jobs altogether.

FINANCIAL RELIEF:

8. Allow certain System Development Charges to be deferred or financed for specific duration (i.e., 3, 5 or 10 years).

9. Push out fee increases for six months so they don't go into effect July 1, 2020.

10. Waive permit fees, public benefit/arts mandates, and SDCs for retail spaces and Commercial TI permits

- Background: Most housing in the city is being constructed within mixed use projects. Under current economic conditions, retail/commercial space within those projects is a financial liability that could make the entire mixed-use project infeasible without fee relief.

TEMPORARILY SUSPEND HIGH-COST REGULATIONS:

11. Suspend certain high-cost regulations for six months, including:

- Bird-safe glass
- Eco roofs
- New bike parking minimums
- Low-carbon building registration
- New set back requirements/sidewalk dedication
- Purchase of transit passes for all tenants
- Allow above-grade parking

LAND USE CODE:

12. Expedite re-adoption of the Central City 2035 plan to provide certainty for projects in all stages of development

13. Continue the Infill Project process as planned.

INCLUSIONARY HOUSING:

14. Commit to funding the \$150,000 inclusionary housing market study in the FY20-21 budget, if not sooner. Commit to a 60-day stakeholder process for robust scoping of the study, and a timeline that delivers the study to Council by the end of Q3 2020. The study should include:

- Making the Fee in Lieu option more feasible

- Looking at how the program impacts projects of varying sizes, so that projects can be built to their maximum height/FAR and smaller projects (more than 19 units but less than 200 units) can be feasible.
- Establishing a regular process to review and recalibrate IH every two years