

AMENDMENTMotion 3-20-13

Motion to conduct a pilot project on the \$250 fee; BDS to report on number of applications received and costs; any shortfall to be reported in summer or fall BuMP for the purpose of Council funding from source to be determined: Moved by Fritz and seconded by Fish (Y-4; N-1 Novick)

As Amended
3-20-13

Portland, Oregon

FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT For Council Action Items

(Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator Denise Kleim		2. Telephone No. 503-823-7338	3. Bureau/Office/Dept. BDS/299/5000
4a. To be filed 3/6/13: To be heard 3/20/13, 9:30 TC	4b. Calendar (Check One) Regular <input checked="" type="checkbox"/> Consent <input type="checkbox"/> 4/5ths <input type="checkbox"/>		5. Date Submitted to Commissioner's office and FPD Budget Analyst: 3/6/13
6a. Financial Impact Section: <input checked="" type="checkbox"/> Financial impact section completed		6b. Public Involvement Section: <input checked="" type="checkbox"/> Public involvement section completed	

1) Legislation Title:

Amend Bureau of Development Services (BDS) Land Use Services fee schedule to establish a fee for the new Type I Historic Resource Review (Ordinance)

2) Purpose of the Proposed Legislation:

This ordinance establishes a BDS fee for the new Type I Historic Resource Review procedure. This fee ordinance is in anticipation of City Council adoption of amendments to Title 33, specifically, the new Type I review procedure for Historic Reviews, first reading heard by City Council on February 27, 2013. This ordinance is a companion piece to the regulatory and procedural changes to Title 33 proposed in the Historic Resources Code Improvement Project (HRCIP).

3) Which area(s) of the city are affected by this Council item? (Check all that apply—areas are based on formal neighborhood coalition boundaries)?

- | | | | |
|--|------------------------------------|------------------------------------|--------------------------------|
| <input checked="" type="checkbox"/> City-wide/Regional | <input type="checkbox"/> Northeast | <input type="checkbox"/> Northwest | <input type="checkbox"/> North |
| <input type="checkbox"/> Central Northeast | <input type="checkbox"/> Southeast | <input type="checkbox"/> Southwest | <input type="checkbox"/> East |
| <input type="checkbox"/> Central City | | | |
| <input type="checkbox"/> Internal City Government Services | | | |

FINANCIAL IMPACT

4) Revenue: Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If so, please identify the source.

The bureau proposed fee was \$475.00 for a new Land Use Review procedure type. The current fee is \$966. This fee was expected to recover 100% of BDS' costs.

On March 20, 2013, the City Council put forth a motion to amend and reduce the proposed fee from \$475 to \$250. The City Council directed BDS to conduct a pilot project to monitor and report on the number of applications received and associated costs; any shortfall will be reported in summer of 2013 or the FY 2013-14 Fall BMP for the purpose of Council funding from a source to be determined.

The \$250 fee will significantly reduce revenue even though there is an anticipated reduction in costs incurred to do these reviews resulting in a 53% cost recovery level.

It is estimated that approximately 35 of these Type I reviews will be done annually. The estimated \$25,060 loss of revenues is illustrated as taking the current fee of \$966 less the revised fee of \$250 which equals \$716 multiplied by 35 reviews per year.

The Historic Resource Code Amendment package that was heard by City Council on February 27, 2013 (1st reading) proposed to change the review procedures required of a variety of restoration/remodeling projects and exempts some projects from Historic Resource Review. For example, some projects currently reviewed through a Type II review procedure will be exempt from review, and others will be subject to the new Type I review procedure, and others will remain subject to a Type II review procedure.

The fee will be paid for by customers submitting applications for Type I Historic Resource Reviews.

5) Expense: What are the costs to the City related to this legislation? What is the source of funding for the expense? *(Please include costs in the current fiscal year as well as costs in future years. If the action is related to a grant or contract please include the local contribution or match required. If there is a project estimate, please identify the level of confidence.)*

None.

6) Staffing Requirements:

- Will any positions be created, eliminated or re-classified in the current year as a result of this legislation? *(If new positions are created please include whether they will be part-time, full-time, limited term, or permanent positions. If the position is limited term please indicate the end of the term.)*

No positions will be created, eliminated, or re-classified in the current year as a result of this legislation.

- Will positions be created or eliminated in future years as a result of this legislation?
No.

(Complete the following section only if an amendment to the budget is proposed.)

7) Change in Appropriations *(If the accompanying ordinance amends the budget please reflect the dollar amount to be appropriated by this legislation. Include the appropriate cost elements that are to be loaded by accounting. Indicate "new" in Fund Center column if new center needs to be created. Use additional space if needed.)*

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount

[Proceed to Public Involvement Section — REQUIRED as of July 1, 2011]

PUBLIC INVOLVEMENT

8) Was public involvement included in the development of this Council item (e.g. ordinance, resolution, or report)? Please check the appropriate box below:

☒ **YES:** Please proceed to Question #9.

☐ **NO:** Please, explain why below; and proceed to Question #10.

9) If "YES," please answer the following questions:

a) What impacts are anticipated in the community from this proposed Council item?

This ordinance will establish a fee for the new Type I Historic Resource Reviews. Applicants will have a lower application fee than the current fee. This will make the reviews more affordable for property owners subject to these reviews and timelines will be shorter. No impacts are anticipated in the larger community.

b) Which community and business groups, under-represented groups, organizations, external government entities, and other interested parties were involved in this effort, and when and how were they involved?

BDS and BPS have partnered on the HRCIP (see the Financial Impact and Public Involvement Statement for that project submitted by BPS). As part of that project, the property owners in historic districts and historic preservation advocates and stakeholders asked that the fee for the new Type I Review Procedure be reduced from \$966. As part of the HRCIP code amendment process, BPS and BDS staff informed the project stakeholders, the Historic Landmarks Commission, and the Planning & Sustainability Commission that BDS planned to reduce the fee substantially. BDS is providing information about the proposed fee to regular customers and stakeholders via email, and informing them of the hearing date at City Council, pending Council adoption of the new Type I review procedure. The bureau will publish information about the proposed fee on its website.

c) How did public involvement shape the outcome of this Council item?

The public's concerns with the fee, the timeline for review, and the types of projects subject to review came to light more with the public and BDS staff as a result of the expansion of the Irvington Historic District in 2010, which increased the number of properties subject to Historic Resource Review. One of the reasons the BPS and BDS initiated the HRCIP was to address the procedures and resulting City costs associated with Historic Resource Reviews. The fee for simple projects was high, and was a disincentive for property owners to go through the required review, resulting in property owners choosing to do work on their homes/property without review or permit, to avoid paying the fees. The HRCIP code amendment project also addressed stakeholder concerns regarding slow review procedure, and the types of projects subject to Historic Resource Review. The code amendment package included exemptions from Historic Resource Review for some types of work and maintenance, and made the timeline for the Type I review faster by changing the review procedures.

d) Who designed and implemented the public involvement related to this Council item?

BPS and BDS partnered on the outreach for the HRCIP project, and BDS will use that project's stakeholder mailing list and the BDS website to inform the public of the proposed fee, once the new Type I review procedure is adopted by City Council.

e) Primary contact for more information on this public involvement process (name, title, phone, email):

Rebecca Esau, Land Use Services Division Manager, BDS, (503) 823-6966;
rebecca.esau@portlandoregon.gov

For information about BPS' outreach on the HRCIP project, contact Jay Sugnet, Project Manager, BPS (503) 823-5869.

10) Is any future public involvement anticipated or necessary for this Council item? Please describe why or why not.

No future public involvement is anticipated or necessary for this ordinance. The Planning & Sustainability Commission will present a Progress Report in one year as stated at Council at the February 27, 2013 hearing. The proposed fees would go into effect on May 1, 2013.



Paul L. Scarlett, Bureau of Development Services Director

BUREAU DIRECTOR (Typed name and signature)



**City of
Portland, Oregon**
Bureau of Development Services
FROM CONCEPT TO CONSTRUCTION

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Memorandum

185946

Date: March 20, 2013

To: Mayor Charlie Hales
Commissioner Nick Fish
Commissioner Amanda Fritz
Commissioner Steve Novick
Commissioner Dan Saltzman

From: Paul L. Scarlett, Director
Bureau of Development Services

PLS

RE: Bureau of Development Services Historic Code Fee Ordinance

In anticipation of the adoption of the Historic Resource Code Improvement Project (HRCIP), the Bureau of Development Services (BDS) has prepared an ordinance to establish a fee for the new Type I procedure for Historic Resource Reviews. The ordinance is scheduled to be heard by the Council on the regular agenda on Wednesday, March 20, 2013 at 9:30 time certain. The proposed effective date for the Historic Resource code amendments and for this new fee is May 1, 2013.

Background

With the expansion of the Irvington Historic District in 2010, many more properties became subject to the Zoning Code's Historic Resource regulations and mandatory Historic Resource Review. This expansion amplified the deficiencies of the system, especially for small projects such as window replacements, front porch additions, dormer additions, etc. In general, the public was concerned that such minor projects triggered Historic Resource Reviews, and were frustrated by the review timeline and the application fee. BDS shared these concerns, and wanted to find a way to exempt very minor projects, simplify and clarify the code to minimize confusion for customers, and to have a faster review procedure in the zoning code, all of which would keep BDS costs down so the application fee could be reduced. (BDS relies on fees to cover its Land Use Review costs.) Essentially, the zoning code's regulations and procedures resulted in reviews and costs out of proportion with the scope of the minor remodeling and restoration projects being done.

The Bureau of Planning & Sustainability (BPS) partnered with BDS to initiate a zoning code amendment project to address the concerns about the historic resource regulations and review procedures. The HRCIP was passed by City Council on March 6, 2013. It addressed the issues with the regulations and procedures in a variety of ways, such as clarifying and defining terms, providing additional exemptions from Historic Resource Review, assigning some simple projects to a new, faster Type I review procedure, etc. This fee ordinance is a companion piece to those regulatory changes, and establishes a fee for the new Type I Historic Resource Review. Due to the anticipated cost savings, the proposed fee is substantially reduced.

BDS is being proactive in keeping customers informed about the proposed fee for the new Type I Historic Resource Review. The bureau is publishing information about the proposed fee increases on its website and sending out information to the stakeholders on the HRCIP mailing list.