

Development Review Process: Need to Coordinate Efforts and Clarify Policies

May 1997



Office of the City Auditor
Portland, Oregon



CITY OF
PORTLAND, OREGON
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SUBJECT: Audit of the City's Development Review Process, Report #210

Attached is our audit report on the City's development review process. The audit was conducted in accordance with our Fiscal Year 1996-97 audit schedule, and includes a summary of results at the beginning of the report.

We have reviewed drafts of the report with staff from the Bureaus of Buildings, Planning, Environmental Services, Water, and Fire, and the Office of Transportation. Written responses are included at the back of the report. We ask Commissioner Hales to provide a status report in six months detailing actions taken to address the report recommendations. The status report should be distributed to members of the Council and to the Audit Services Division.

We appreciate the cooperation and assistance we received from staff at the several bureaus involved in the development review process.

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A Report by the Audit Services Division
Report #210

Office of the City Auditor
Portland, Oregon

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Production/Design

This report was produced in-house using desktop publishing software on Pentium Pro personal computers, and a Compaq Pagemarq 20 Postscript laser printer. It was printed at the Printing and Distribution Division of the City's Bureau of General Services. Adobe PageMaker 6.5 was used to design and layout the finished product. Tables were created and drawn manually using PageMaker. Other graphs and charts in this report were produced with Quattro Pro for Windows and PageMaker. Text was initially written in Wordperfect for Windows then imported into PageMaker.

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Summary

This report analyzes the performance of the City of Portland's development review process. The development review process strives to ensure appropriate development and safe buildings by enforcing land use and building regulations. In FY 1995-96, the City's development review process handled over 1,000 land use cases and issued over 7,000 building permits. Six City bureaus, over 150 staff, and about \$10.2 million are devoted to development review.

Reports critical of the process

Although the City of Portland has a national reputation for effective land use planning and the quality of its urban environment, a number of studies have been critical of the City's development review process. Regulatory review committees in 1984 and 1992 found the process slow, inefficient, and costly, and recommended a number of changes in the process. Several reports by the City's development liaison identified a need for better bureau coordination and more up front information sharing. Two studies in 1995 by the Association for Portland Progress and Pacific Rim Resources, Inc., also found various processes slow, and lacking coordination and good customer service. These and other studies recommended a streamlined

process, revised and improved regulations, and better information to help applicants navigate the development review process.

Improvement efforts

In response to these concerns, the City took a number of steps to improve the process of development review. An inter-bureau coordinating team was established to oversee improvements of the land development and building permit processes. This team has helped streamline single family and commercial building permit processes, directed the overhaul of City subdivision regulations, and initiated ongoing contacts with the development industry through meetings with customer focus groups. The team has also helped development bureaus coordinate efforts and advocated for additional staff to improve processing times.

In addition, the City has established a permit center for central intake of development and building requests and has initiated various technological improvements. The permit center helps applicants enter the process by providing information on development and permitting requirements. Approximately 60% of building permits are now processed over the counter in less than one day.

The City also implemented an automated tracking system for building permits and is currently developing a Geographic Information System (GIS). When complete, the GIS will bring together geographic and other data on land, property, and infrastructure into a single data base that should help speed the review of development proposals.

Portland compares favorably to other cities

Portland compares favorably with other cities that have progressive development review systems. Our survey of seven other jurisdictions with “best practice” development processes showed that Portland has faced similar problems and developed comparable solutions. Portland and other jurisdictions have initiated one-stop permit centers, automated tracking systems, and user-friendly development manuals and informational brochures. Most other jurisdictions we contacted also created case managers similar to Portland’s development liaison to help coordinate development review and approval.

However, some jurisdictions have implemented more sweeping changes in development review than Portland. For example, one city created a single development services department and several cities have implemented a project management approach using interdisciplinary teams of reviewers to process major projects.

Major problems remain unresolved

Although the City has taken a number of steps to improve the performance of the development review process, some major problems remain unresolved. Specifically, the process continues to be time-consuming and poorly coordinated, and applicants still complain of inconsistent and unresponsive service. Our review shows that building permit turnaround time goals are not being met and land use applications often require considerable time to process. In addition, management information on processing times is often unavailable or unreliable, and City employees complain about conflicting policies and poor coordination among the six review bureaus.

Some of the problems that continue to plague the review process are caused by high workload, increasing complexity of regulatory requirements, and unclear or conflicting policies. Land use applications have increased by 26 percent over the past five years, while building permits have grown by 2 percent. In addition, processing times are slowed because staff have difficulty enforcing and reconciling new policies for ensuring public safety, environmental quality, and higher density development.

We also found that performance is adversely affected by inadequate systems and procedures employed by the development bureaus, and by fragmented management of the development review process. We found a lack of written procedures to guide the process, inadequate tracking systems, and inconsistent supervisory review of staff work. In addition, processing of development and building applications is hampered by multiple organizations reporting to several managers that lack overall responsibility for decision making and approval.

Recommendations We make a number of recommendations to help ensure that the City of Portland enforces land use and building regulations in an effective and timely manner. In brief, we recommend that City Council, with assistance from development review bureaus:

- consolidate existing development review staff into a single development review bureau
- develop uniform procedures to guide the work of review staff and utilize a project management approach to review development proposals
- Establish minimum acceptance standards for applications and continue efforts to inform applicants of City requirements
- develop a single, comprehensive tracking and management information system to manage development work and report on performance
- establish a formal, ongoing process to clarify and streamline City development policies.

Chapter 1 Introduction

This is the Audit Services Division's first broad review of the City's development review process. Development review involves the review and approval of land use and zoning applications, and the issuance of construction permits for buildings and public infrastructure projects. The purpose of development review is to protect and improve the livability of the City, and to ensure the safety of buildings, homes, and public facilities. In 1989, we audited one phase of this process – the building permit review process managed by the Bureau of Buildings. This audit covers all phases of the development review and approval process administered by six major City bureaus with the exception of the building and public works inspection functions.

This audit was included in the City Auditor's FY 1995-96 audit schedule and we began preliminary work in January, 1996. We conducted the audit in accordance with generally accepted government auditing standards and limited our work to those areas specified in the objectives, scope and methodology section of the report. We conducted this review to promote a better understanding of the development review process, bring clarity to problems and issues, and help City officials focus on meaningful solutions.

**Overview of the
development review
process**

The development review process addresses a number of public goals and is guided by several major policies. In general, the process is intended to ensure that land in our community is used and developed appropriately, and that structures are built in a manner that protects the health and safety of the public.

Appropriate land uses must address a number of concerns including protecting the environment and natural areas, regulating population densities in residential areas, providing space for commercial and industrial enterprises, and encouraging attractive and aesthetically pleasing neighborhoods. Development review also helps the community respond to population growth by reducing sprawl, encouraging more efficient transportation systems, and assisting housing development. Once appropriate land uses have been approved, the development review process also helps ensure that structures, streets, sewers, and water facilities are built safely.

The development review process is guided by a number of policies, plans, and regulatory requirements. The most significant of these policies and their major features are:

Statewide Land Use Laws

In 1973 the Oregon Legislature mandated comprehensive land use planning throughout the state. With the adoption of SB 100, the State Land Conservation and Development Commission was created and state-wide planning goals and guidelines were developed. Local governments were required to develop comprehensive plans to address a number of goals including citizen involvement in land use devel-

opment, protection of agricultural lands, open space and natural resources, provision of sufficient housing and recreational needs, and support for adequate transportation and public facilities.

State and Local Building Codes

To ensure safe buildings, State laws prescribe the materials, methods, and requirements for constructing, improving, and repairing buildings. Oregon has adopted and amended building codes developed by national model code organizations. Local governments must ensure that builders and contractors follow codes covering a variety of building procedures including plumbing, electrical, mechanical systems, and structural.

Region 2040

Metro, our regional government, is responsible for the Region 2040, a long-range planning process that is intended to allow people in the region to help decide what the region will be and look like in the next 50 years. The Plan will include policies on land use, transportation, natural areas, water, and housing. The 2040 Plan will set policies for how the region will grow and establish strategies for managing the growth.

City Comprehensive Plan

Required by State land use laws, the City of Portland's Comprehensive Plan provides guidelines for the future growth and development of the City. The Plan addresses a number of goals and policies in housing, land use, economic vitality, transportation, and open spaces. The Plan

includes a Comprehensive Plan Map showing the type, location, and density of land development permitted in the future, and a set of regulations to carry out the Plan policies.

City Code - Titles 33 and 34

To implement the policies of the Comprehensive Plan, the City created Titles 33 and 34 of City Code. These two codes establish requirements for the use, development, and division of land. Title 33 (zoning code) regulates how land will be used and sets use classifications such as single family, multi-family, industrial and commercial. Title 33 also establishes site development and other requirements such as set back requirements, design rules, and natural resources protection. Title 34 (land division) regulates the creation of land parcels, the relocation of property lines, and the development standards for the subdivision of land.

City Public Improvement Codes

Changes and improvements to public streets, and water, sewer, and drainage systems are regulated by a variety of City codes and regulations that set various standards and criteria for the improvement. For example, City Code Title 17 regulates public improvements and City Code Title 21 regulates water service. Various City bureaus establish and enforce these standards.

City Uniform Fire Code - Title 31

This code establishes requirements for fire apparatus access, water requirements for sprinklers, use of hazardous materials in buildings, and special requirements for schools and hospitals.

Federal and state environmental and safety laws

Federal and state governments have passed a number of laws and regulations that have a significant impact on development in the City of Portland. City policy and regulatory issues relating to storm water drainage, parking, and transit have been driven by national air and water quality mandates. Similarly, building practices are influenced by seismic safety and handicap access requirements.

Three categories of development review

To ensure that State and City policies, as well as other laws and regulations are adhered to in the development of property, the City reviews and approves development and building proposals. The three basic kinds of reviews and approvals in the development review process are: (1) land use and zoning reviews, (2) building permits, and (3) public improvement permits.

A development project may involve one, two, or all three kinds of reviews depending on the nature of the proposal. For example, remodeling the interior of an existing house may only require a building permit. Connecting a house to the City sewer system may require only sewer and plumbing permits. However, building a new housing subdivision on vacant land would require all three types of reviews. Following is a brief description of each category of development review. In addition, Figure 1 on page 8 provides an overview of the entire development review process depicting each category of review.

1. Land Use/Zoning Reviews

Review of land use proposals ensures that the planned use of a property conforms with existing zoning and land use

policies, or allows specific exceptions to policies. The Portland Zoning Code (Title 33) and Subdivision and Partitioning Code (Title 34) are the primary implementation tools of the City's Comprehensive Plan and provide the substantive and procedural requirements for the use, development, and division of land. There are many different land use actions which require review and approval, including minor land divisions, environmental review, adjustments, conditional uses, comprehensive plan amendments, subdivisions and planned unit developments, and design reviews. There are four major types of land use processes:

Major Types of Land Use Processes
Type I: These are proposals for minor changes in land use and division. They require notification of nearby property owners. A decision must be rendered within 46 days of initial application. Type II: These requests include design reviews and minor conditional uses. Proposals are considered of minor public importance but public notification is wider than Type I. A decision is required within 34 days after an application is deemed complete, if there is no appeal, or within 77 days if an appeal is filed. Type III: These are proposals that will likely have the most significant impact on the surrounding areas. Type III reviews include subdivisions, comprehensive plan amendments, and major conditional uses, and require public hearings and pre-application conferences. A decision is required within 120 days after the application is deemed complete. Expedited Land Divisions: This is an abridged procedure for land division proposals only. Pre-application conferences and hearings are not required. A decision must be rendered within 63 days after an application is considered complete.

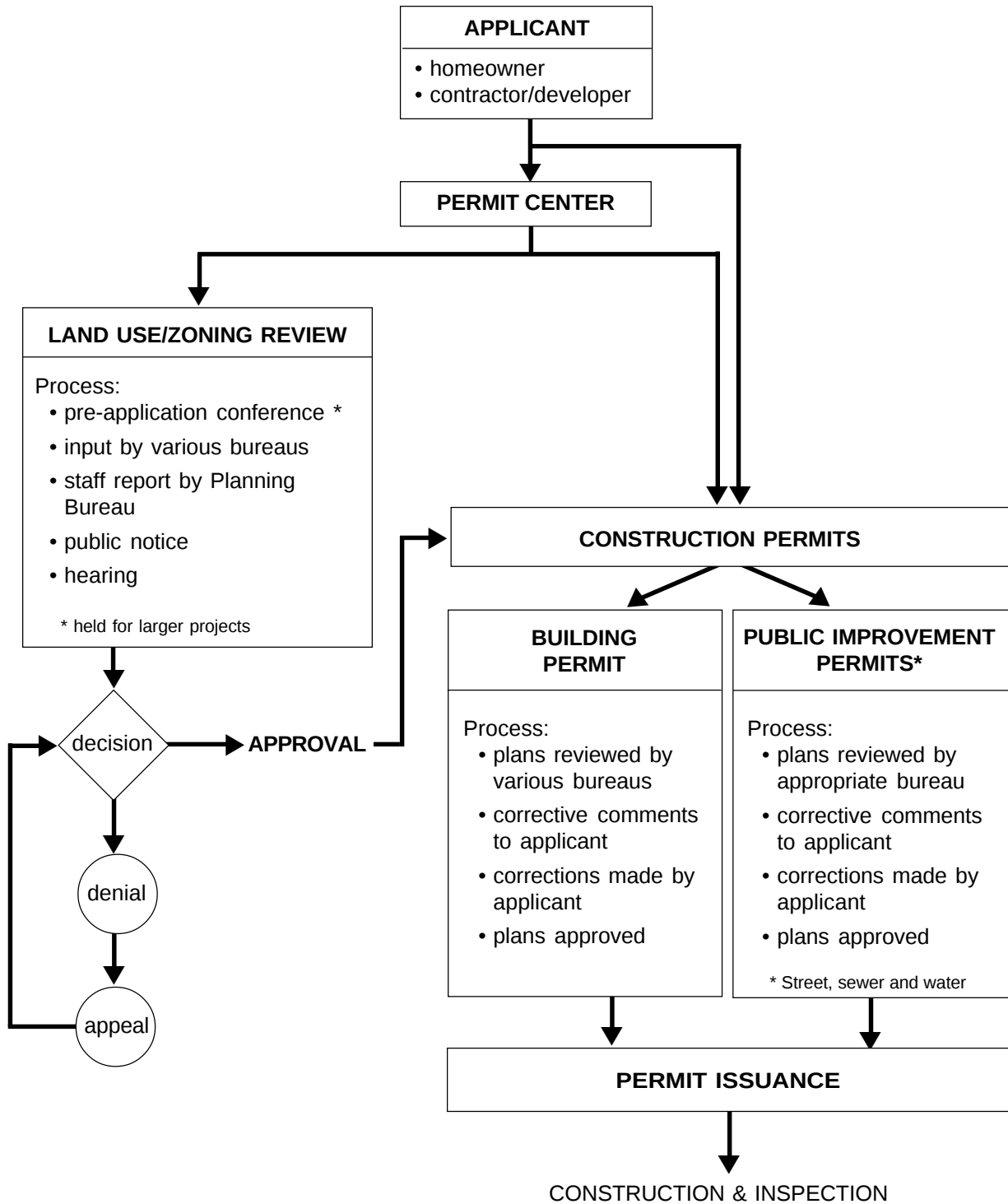
2. Building Permits

Review of building plans ensures that structures are planned and built according to state and local construction codes, and conform to planning and public infrastructure requirements. Building permit applications are divided into commercial and residential permits. The City's goal is to review residential permits within 10 working days and commercial permits within 15 working days.

Most projects requiring a building permit also require other permits and approvals, such as mechanical, plumbing, electrical, and sign permits, and approval of legal lots, land feasibility studies, and fire sprinklers and alarms. While about 60% of building permit applications are reviewed and approved in one day, more complicated applications require complete building plan checks which include:

- accepting plans and calculating and receiving the payment of fees;
- routing plans through building plan review (fire/life safety, structural, soils, mechanical, and plumbing);
- routing plans to other bureaus for review (usually Planning, Transportation, Environmental Services, Water, and Fire);
- tracking the location of plans and status of the review;
- coordinating the issuance of check sheets (lists of needed corrections prepared by each bureau); and,
- issuing a permit after plans are approved by all relevant bureaus.

Figure 1 Simplified Overview of the Development Review Process



3. Public Improvement Permits

Public improvements include construction of, or additions to, the public system of streets, sanitary sewers, storm drainage facilities, or water mains. Reviews of planned infrastructure improvements are made to ensure streets, water, sewers, and other public facilities meet state and local standards for quality and safety. The City generally identifies the need for public improvements either as a result of a land use/zoning application or as a result of a building permit application. Several City agencies are responsible for reviewing and approving applications for public improvements.

Organization and management of the process

Six bureaus – Planning, Buildings, Transportation, Environmental Services, Water, and Fire – have primary responsibility for reviewing and approving development projects to ensure they are consistent with applicable laws and regulations. The Bureaus of Planning and Buildings play central roles in reviewing and approving land use proposals and building permit applications. The Office of Transportation, and the Bureaus of Water and Environmental Services are the agencies responsible for reviewing and approving public infrastructure improvements. The Fire Bureau reviews building plans to ensure compliance with fire and life safety code requirements. Additionally, Forestry staff within the Bureau of Parks & Recreation provide input to the Bureaus of Planning and Buildings to ensure compliance with urban forestry requirements.

To help coordinate the development review process, the Bureaus of Planning and Building jointly staff the City's Permit Center on the first floor of the Portland Building. This Center provides a central intake for all development

and building applications. However, each Bureau is managed and staffed separately and significant coordination is required to circulate applications to each organization. The duties of each bureau in the development review process are summarized below; Figure 2 shows the placement of each bureau within the City's organizational structure.

Duties of development review bureaus
Bureau of Planning: Manages the land use review process, including holding pre-application conferences, seeking input from other City bureaus, preparing a staff report/recommendation, notifying the public, and scheduling hearings. Also reviews building plans for compliance with land use policies. Bureau of Buildings: Manages the review of building permit applications. Coordinates the Permit Center and operates the automated permit tracking system and document control function. Coordinates circulation of plans to review staff within Transportation, Buildings, Planning, Environmental Services, Fire, and Water. Manages buildings inspections to verify that actual construction is consistent with approved plans and zoning. Office of Transportation: Provides input to Planning and applicant on land use proposals. Reviews building permit plans for compliance with street and traffic flow requirements. Reviews applications and issues permits for improvement of streets, curbs, and sidewalks. Bureau of Environmental Services: Provides input to Planning and applicant on land use proposals. Reviews building permit applications for compliance with sewer and stormwater requirements. Reviews applications and issues permits for construction and hook-up of sewer lines. Bureau of Water: Provides input to Planning and applicant on land use proposals. Reviews building permit applications to verify availability of water service. Bureau of Fire: Provides input to the Planning and applicant on land use proposals. Reviews building permit applications to ensure compliance with fire and life safety codes.

**Figure 2 City of Portland Organization Chart:
Development Review Bureaus**

MAYOR	COMM. #1	COMM. #2	COMM. #3	COMM. #4	AUDITOR
Office of Finance & Administration	Bureau of General Services	Bureau of Environmental Services	Bureau of Emergency Communications	Bureau of Buildings	Assessments & Liens
Bureau of Police	Bureau of Licenses	Bureau of Hydroelectric Power	Bureau of Fire, Rescue & Emer. Services	Bureau of Planning	Audit Services
Bureau of Purchases & Stores	Bureau of Parks & Recreation	Bureau of Water Works	Bureau of Housing & Community Development	Office of Transportation: •Director •Maintenance • Traffic Management • Transportation Engineering	Council/Contracts
Office of City Attorney		Cable Comm. & Franchise Management	Office of Neighborhood Associations & Commission on Aging		Hearings Officers
Office of Government Relations		Portland Energy Office			Records & Archives
Office of International Relations					
Portland Development Commission					

Staffing, budget, and revenues

The six City bureaus involved in development review spent about \$10.2 million on review activities in FY 1995-96 and recovered about \$8.5 million in development fees, a cost recovery rate of 83%. These bureaus also devoted 158 staff to the development review process. Table 1 summarizes FY 1995-96 staffing, spending, and revenues for the six bureaus involved in development review.

**Table 1 Staffing, spending, and revenues:
City development review, FY 1995-96**

	Staffing	Spending	Revenues	Cost recovery rate
Planning	42	\$3,498,330	\$2,098,315	60%
Buildings*	89.5	4,615,196	4,611,409	100%
Transportation	12.5	998,129	595,799	60%
Environ. Services	8.5	712,338	712,338	100% **
Water	1.5	81,054	81,054	100%
Fire	4	317,696	402,940	127% ***
TOTAL	158	\$10,222,743	\$8,501,855	83%

SOURCE: Data obtained by the Audit Services Division from IBIS and individual bureau records.

* Excludes inspections function.

** Cost recovery by Environmental Services was subsidized by sewer rate payers. BES records did not segregate development review revenues from other revenues.

*** Fees reduced as of 6/5/96.

Development review team

In March, 1994, a Development Review Team (DRT) was established to oversee improvement efforts in the City's land development and building permit processes. The DRT meets once a month, providing a regular forum in which to identify, discuss, and address improvement needs of the

City's development review process. The three primary goals of the DRT are to: (1) develop strategies and implementation standards which streamline the permitting process; (2) make the permit process more responsive to customers; and (3) facilitate inter-bureau coordination.

Members of the DRT include Commissioners of the Bureaus of Planning and Buildings, plus representatives from each of the development review bureaus. In addition, a Development Monitoring Team (DMT), consisting of mid-level managers from the development bureaus, helps carryout action plans established by the DRT.

**Audit objective,
scope, and
methodology**

Our objective in conducting this audit was to assess the quality, timeliness, and efficiency of the City's development review process. The overall process encompasses many sub-processes and involves personnel from several City bureaus. As a result, we did not perform exhaustive examinations of all individual bureau activities, but focused on evaluating the City's overall system for reviewing land use applications and building permits. We excluded the building and public works inspection functions from the scope of our review.

To help gain an understanding of the development review process and to identify strengths and weaknesses of the system, we interviewed City Commissioners, bureau managers, and development review staff within the bureaus of Planning, Buildings, Transportation, Environmental Services, Water, and Fire. We also interviewed developers, builders, architects, and other participants in the City review process.

We reviewed the City's Development Review Manual and other documents describing the development review process. Based on our review of these materials and information obtained from City staff, we prepared a flow chart of the City's development review process and sub-processes.

We reviewed professional literature, and reports, manuals, and other documents prepared by City bureaus on the development review process. In addition, we summarized findings and recommendations reported in previous studies on the City's development review process. We also summarized actions taken by development bureaus and the DRT to address identified problems.

To assess the timeliness of development reviews performed by the City, we computed the turnaround time of a sample of building permits issued from March through August, 1996. Our sample included 50 new single family residences and 25 new commercial buildings. In addition, we measured the number of days all 1995 land use cases were in application and case review.

We conducted a survey of six cities and one county – Seattle, Washington; San Jose, Pasadena and San Diego, California; Denver, Colorado; Minneapolis, Minnesota; and Fairfax County, Virginia – to identify innovative development review practices. We selected cities with some reputation for having instituted progressive practices.

We obtained workload, staffing, spending, and revenue information from the six primary review bureaus – Planning, Buildings, Transportation, Environmental Services, Water, and Fire. Not all bureaus accounted separately for

development review, and in some cases, cost and revenue figures were estimated.

Finally, we reviewed a sample of 15 Type III land use cases to facilitate our understanding of land use review and to obtain detailed information on problems encountered by applicants. We selected cases with long turnaround times, examined files and records, and interviewed City staff and applicants involved in each application.

Chapter 2 Actions Taken to Improve the Development Review Process

The City's development review process has been studied frequently over the past 13 years. A number of recommendations have been made to improve the process, and much has been done to make the process more responsive and timely for the applicant. In this chapter we discuss findings and recommendations from prior studies and actions taken by the City to address identified problems.

Numerous studies of the development review process

Table 2 contains a chronological listing of the major studies which have been conducted of the City's development review process since 1984. A brief summary of each follows.

Table 2 Studies issued on the City's development review process since 1984

Year	Report
1984	<i>Regulatory Review Committee Report #1</i>
1987-94	Development liaison reports
1992	<i>Regulatory Review Committee Report #2</i>
1995	<i>Development Review/Permit Process Case Study Report</i> , by the Association for Portland Progress
1995	<i>Development Review and Stormwater Management Study</i> , by Pacific Rim Resources for Bureau of Environmental Services
1996	<i>Portland Housing Permit Study</i> , by Market Trends for the Livable City Housing Council
1997	Audit by the City of Portland Audit Services Division

1984 Regulatory Review Committee report

In February, 1984, City Council appointed a 12-member Regulatory Review Committee to perform “...an exhaustive review of the City’s construction-related procedures and regulations in an attempt to streamline the permit application and approval process and eliminate unnecessary restrictions which inhibit development within the City of Portland.” The review was precipitated by a 1983 housing cost study which estimated that unnecessary or duplicative regulatory practices added as much as 20 percent to the cost of new construction.

The Committee identified two primary problems which impede the issuance of permits within the City of Portland: (1) the length of time it takes to process permits and (2) the inconsistency and inadequacy of information relating to construction requirements. The Committee believed that the City could best address these problems by clarifying regulations and standards, formalizing appeals procedures, and streamlining the permit application process.

1984 Regulatory Review Committee Report major recommendations

To improve inter-bureau coordination:

Establish an inter-bureau coordinating council to oversee implementation of the Committee's recommendations, resolve inter-bureau conflicts, and bring issues to City Council.

Establish a development monitoring team to monitor large or complicated development applications through the process.

Develop a standard format for requesting information on land use applications.

Expand the existing permit tracking system and place a high priority on additional data processing needs.

To facilitate permit application/plan review:

Establish minimum acceptance standards for permit application submittals.

Establish a priority plan review program.

Allow overtime payment for priority plan review.

Improve efficiencies in the permit application center.

Authorize administrative approvals of routine functions.

Expedite land use reviews and consolidate land use hearings.

To improve public information:

Compile a development manual.

Prepare informational brochures.

To address problems with standards:

Standardize code appeals procedures.

Develop guidelines for construction and design of public sewers and drainage facilities.

Undertake code revisions.

Development liaison reports, 1987-1994

In May, 1987, a development liaison position was established to provide regulatory assistance to applicants; advocate for improving the timeliness, efficiency, and fairness of the development process; provide an ongoing forum for inter-bureau communication; and facilitate productive working relationships among the development community, neighborhood interests, and City staff. From 1987 until the position was eliminated in 1994, the development liaison produced quarterly and annual reports on the development review process.

Two primary issues raised by the development liaison were: (1) the City does not provide a reliable roadmap to the applicant at the beginning of the process and (2) the City does not process applications from a City-wide perspective. The liaison cited the City's fragmented permitting system and the lack of an overall "Permitting Manager" as reasons why the City does not provide better service and more timely processing of permit applications.

Major recommendations by Development Liaison
• Educate permit review staff on City-wide goals, policy objectives of each individual bureau, and the entire development approval process. • Clarify policy objectives and development review criteria. • Utilize the pre-application conference to its maximum efficiency. • Complete the zoning code rewrite project.

1992 Regulatory Review Committee report

A second Regulatory Review Committee was formed in June, 1991, and was charged with examining Portland's land division review process and producing recommendations for improving efficiencies and reducing costs. The Committee discussed 12 issue areas in its report, many of which related to specific code provisions (e.g., how/when should private streets be built, how to have cost effective erosion control measures).

Major findings of 1992 Regulatory Review Committee

- The City lacks a formal process to monitor the effectiveness of new land division regulations. The City should create a system for periodic review of development issues.
- The development review process takes too long, due in part to requirements for citizen participation. The City should create a new system of citizen participation that engenders trust and dialogue among developers, neighbors, City staff, and elected officials.
- Developers and neighbors are sometimes unaware of all overlay zones, plans, and policies that affect a specific site. City staff need to inform the applicant during the pre-application conference of all overlay zones, plans, and policies. Formal monitoring of the effectiveness of overlay zones should continue.
- Applicants feel they do not receive sufficient information and direction at the time of initial application. To reduce the time it takes to obtain project approval, staff from all pertinent bureaus should attend the pre-application conference, and each bureau should assign a single point of contact (plus a back-up contact) for each project.

1995 Development Review/Permit Process Case Study Report

The Association for Portland Progress (APP) issued *The Development Review/Permit Process Case Study Report* in January, 1995. The report was based on a survey of six cities which had undergone regulatory and development review reform. In addition, 17 business community members were interviewed in depth about problems they had experienced with the City's development review process.

From its interviews, the APP identified the following problems in the City's development review process: (1) the lack of inter-bureau coordination, (2) the need to establish and adhere to a specific timeframe for completing a review, (3) the lack of good customer service, (4) inconsistent code interpretations by City staff, and (5) the disregard by City staff of cost implications caused by permit process delays.

1995 APP recommendations
• Assign a case manager or “point person” to help expedite the applicant’s project; • Outsource code review to local architectural and engineering firms; • Improve customer service by training City staff with a customer service focus; • Create inter-disciplinary teams; • Initiate performance evaluations and reward or discipline staff depending on job performance; and, • Create an expedient appeals process.

1995 Development Review and Stormwater Management Study

The Development Review and Stormwater Management Study was issued in December, 1995, by Pacific Rim Resources, Inc. for the Bureau of Environmental Services (BES). The study focused primarily on stormwater management issues at BES and identified a number of problems, including: (1) the lack of inter-bureau communication, (2) the lack of timeliness of the permitting process, (3) the need to improve customer service, (4) the lack of bureau attendance at land use pre-application meetings, (5) conflicting land use goals and *ad hoc* prioritization of goals by City staff, and (6) vague stormwater guidelines causing confusion, misunderstandings, and informal judgment calls by City staff.

Major recommendations of 1995 Stormwater Management Study
• Give Bureau of Environmental Services the lead in stormwater management issues and establish clearer stormwater policies and standards. • Achieve better inter-bureau communication before pre-application conferences and greater attendance by bureaus at the conferences. • Use case managers and interdisciplinary review teams. • Establish and adhere to specific time frames for reviews. • Prepare a development manual and other explanatory materials, and explore the feasibility of establishing a resource center. • Cross-train review staff.

1996 Portland Housing Permit Study Report

The Livable City Housing Council *1994-95 Portland Housing Permit Study Report*, was issued in April, 1996. The study was conducted by Market Trends and was intended to provide data to substantiate whether housing production targets within the City of Portland were being met. One of four major investigation areas was, “A brief discussion on the barriers encountered by builders when beginning a project.” The study’s results were based on a survey of 846 building permit applicants.

According to the report, the barrier most often mentioned by builders in beginning a new housing project was the City’s permit process. Builders cited confusion, inefficiency, and time delays caused by the structure of the process. Builders also mentioned problems with regulations and time delays in planning and zoning, and with added time and expense caused by environmental regulations. Some builders said the City should provide them with regular updates of changes in regulations, and some said the City should move the Permit Center to a more convenient location.

Actions taken to improve the City’s process

Many issues identified in these earlier studies have been addressed by the City. An important first step taken was the formation of an inter-bureau coordinating council to oversee implementation of recommended actions. The first coordinating council was formed in the mid-1980s, and was ultimately superseded by the current Development Review Team, formed in 1994.

Following is a list of some of the major improvements achieved by the City since the first Regulatory Review Committee issued its report in 1984:

Major development review improvement efforts
• Establishment of an inter-bureau coordinating council and a development monitoring team to coordinate improvement efforts. • Creation of a development liaison position to facilitate review of complex projects and to monitor the development review process. The development liaison served from 1987 until 1994, when the position was eliminated. • Issuance of a development manual in 1988 that is currently being updated. Bureau of Buildings also prepared a series of informational brochures to assist and educate permit applicants, and issued a series of newsletters entitled <i>The Plans Examiner</i>. • Ongoing effort to rewrite Title 34, the City's land partitioning regulations. • Establishment of a priority plan review program during the 1980s, but abandoned in recent years. The Bureau of Buildings began re-instituting a prioritized system this year. • Meetings with customer focus groups – rowhouse developers, institutions, tenant improvement companies, and architects and engineers – to obtain feedback on City regulations and review procedures. • Adoption of turnaround goals for review of building permit plans, increased development review staffing levels, and contracted-out plan review during peak periods. • Increased emphasis on customer service including training and guidelines to staff to better serve the public.

In addition, the City's development review process also has several other positive features. For example, the City has a one-stop permit center where the public can come to submit applications and receive information about City codes and requirements. Approximately 60% of building permit applications are processed the same day at the Permit Center. The Bureau of Buildings' document control and permit tracking systems are both features which facilitate tracking and management of building permit applications. Customers needing to submit a land use application, or needing zoning and land use information, are referred to Bureau of Planning staff. Those needing a street, sewer, or water permit are referred to the Office of Transportation, the Bureau of Environmental Services, and/or the Bureau of Water Works.

The City is also currently working on developing a Geographic Information System (GIS). This is a long-term project which will bring together City geographic, infrastructure, and other information into a single information base to be used by City personnel and the public. Once complete, the GIS should allow development review staff to speed-up their review work by making information on a given property (e.g., zoning, existing public facilities) more readily available. In addition, the public will also be able to use information in the GIS to help them in their efforts to develop property and prepare permit applications.

The Development Review Team has achieved a number of improvements in the City's development review process since the team was formed in 1994. Accomplishments of the DRT include:

- revisions in the single family residential permit process;
- re-establishment of building permit plan review turnaround goals;
- directing the overhaul of the City's subdivision regulations (Title 34);
- coordinating regulatory reduction efforts of individual bureaus;
- meeting with customer focus groups;
- adding staff to the Permit Center to respond to increased workload;
- providing information in the Permit Center about appeals procedures in each bureau; and,
- establishing a performance standard of 24 hours for responding to telephone requests for zoning information.

In addition, the DRT is continuing efforts to streamline the commercial building permit process, re-establish the development liaison position, develop a staff training and development program, establish a customer resource center, and provide an education forum for both City staff and the development community.

Chapter 3 Best Practices of Other Jurisdictions

We conducted a survey of seven other jurisdictions to identify progressive development review practices which could potentially be used to enhance the City of Portland's system. The jurisdictions we surveyed included Seattle, Washington; San Jose, Pasadena and San Diego, California; Denver, Colorado; Minneapolis, Minnesota; and Fairfax County, Virginia.

The results of our survey indicate that the City of Portland faces some similar challenges and problems as other jurisdictions. Such challenges include increased development activity, growth in the number and complexity of regulations, difficulties with inter-departmental coordination, and problems with incomplete applications.

Portland has implemented many of the same practices used by other jurisdictions to help address the above challenges. Such practices include an inter-departmental coordinating council, a one-stop permit center, an automated permit tracking system, a case manager/liaison, and development manuals and informational brochures. These practices have been used in Portland and elsewhere to better coordinate reviews and improve customer service.

Some jurisdictions, however, have instituted more sweeping changes in their development review functions. For example, San Diego addressed the inter-departmental coordination problem by moving all review staff into a single development review department. Some jurisdictions have also instituted a project management approach to conducting reviews, in which a multi-disciplinary team of reviewers is assigned to handle all approvals on a project, such as a subdivision which requires multiple approvals and permits.

**Background on
jurisdictions
surveyed**

The seven jurisdictions we surveyed operate under different land use and development laws and rules, and the volume and nature of development activity varies. Therefore, comparative information should be viewed in light of these varying circumstances. However, each jurisdiction struggles with laws and regulations that require interpretation and judgement, and review processes that involve multiple organizations and departments. Each of the seven jurisdictions we surveyed were identified by officials in Portland as progressive in the area of development review.

The jurisdictions surveyed range in population from 137,400 in Pasadena to 1.2 million in San Diego, and from 23 square miles in Pasadena to 399 square miles in Fairfax County. Pasadena also has the smallest General Fund budget (\$116 million), while Fairfax County has the largest (\$1.5 billion). The City of Portland has a larger land use workload than all the other jurisdictions. As shown in Table 3, Portland had 1,038 land use cases in FY 1995-96, twice as many as most of the other jurisdictions. Portland issued 7,080 building permits in FY 1995-96, fewer than most of the other jurisdictions.

Table 3 Background information on jurisdictions surveyed

	Form of Government	Population	Area (sq. miles)	Gen. Fund budget (millions)	95-96 land use cases	95-96 bldg. permits
Portland, OR	Commission	497,600	147	\$280	1,038	7,080
Seattle, WA	Mayor/Council	531,000	84	\$433	497	4,954
Pasadena, CA	Council/Manager	137,400	23	\$116	107	2,258
San Jose, CA	Council/Manager	849,363	175	\$524	520	9,479
San Diego, CA	Council/Manager	1,218,700	331	\$504	692	12,000
Denver, CO	Strong Mayor	500,000	155	\$500	101	8,000
Minneapolis, MN	Mayor/Council	368,383	n/a	\$704	200	10,758
Fairfax Co., VA	County Executive	879,401	399	\$1,500	455	27,047

SOURCE: Audit Services Division survey.

Strategies for coordinating review work

The City of Portland is similar to the jurisdictions we surveyed in terms of the challenges it faces in enforcing regulations while also making its development review process responsive and timely to applicants. Common challenges include the growth in development workload, an increase in the number and complexity of regulations, a fragmented network of reviewers, and incomplete applications.

A variety of methods have been used to meet these challenges and better coordinate the work of multiple reviewers. Four jurisdictions have designated one department to oversee the development review activities of multiple

departments, while two jurisdictions have established inter-departmental committees to help coordinate development activities, as has the City of Portland. One jurisdiction – San Diego – has formed a single development review department, placing all review staff together in one department.

**Table 4 Strategies for coordinating review work:
Survey of other jurisdictions**

	Project Management	Case Manager / Liaison	One Development Review Dept.	One Oversight Dept.	Inter-Department Committee	Multi-Discipline Review Team	Automated Permit Tracking
Portland, OR		✓			✓		✓
Seattle, WA			✓				✓
Pasadena, CA	✓	✓	✓				✓
San Jose, CA	✓	✓	✓	✓	✓	planned	
San Diego, CA	✓	✓	✓		✓		✓
Denver, CO	planned	✓	planned				✓
Minneapolis, MN				✓			✓
Fairfax Co., VA	✓	✓	✓		✓		✓

SOURCE: Audit Services Division survey.

Five jurisdictions use case managers, or coaches, similar to Portland's previous development liaison, to help coordinate complex projects through the development review process. Three jurisdictions use multi-disciplinary review teams to facilitate coordination of review work. All jurisdictions except San Jose have automated permit tracking systems in place to help track and manage applications. San Jose plans to install such a system in the near future. Four cities plan to improve their permit tracking systems or coordinate departmental systems.

**Methods for assisting
the applicant**

A number of measures have been employed to provide the applicant with information and assistance in the development review process. Four jurisdictions – Pasadena, San Jose, San Diego, and Fairfax County – have instituted a one-stop permit center as does the City of Portland. In addition, San Jose and Fairfax County, like the City of Portland, have prepared a development manual and informational brochures to help the applicant understand the review process and requirements. Several jurisdictions have websites which offer on-line assistance. (See Table 5)

The City of San Diego is the only jurisdiction to offer documented early assistance, whereby city staff meet with an applicant to discuss a project and document City discussions, agreements and commitments. The City of Portland holds pre-application conferences for complex projects, but these meetings are informational in nature, without documented commitments on criteria and rule interpretation.

**Table 5 Methods for assisting the applicant:
Survey of other jurisdictions**

	Documented early assistance	One-stop permit center	Single point of contact	Development manual	Informational brochures	On-line info/ website
Portland, OR	✓*	✓		✓	✓	✓
Seattle, WA						✓
Pasadena, CA		✓	✓			
San Jose, CA		✓		✓	✓	✓
San Diego, CA	✓	✓	✓			
Denver, CO			planned			
Minneapolis, MN						✓
Fairfax Co., VA		✓	✓	✓	✓	✓

SOURCE: Audit Services Division survey.

* Portland holds pre-application conferences for complex projects, but agreements are not documented.

More sweeping changes in development review

One jurisdiction we surveyed – San Diego – has restructured its development review function by moving all review personnel into a single development review department. In addition, four jurisdictions – San Diego, Pasadena, San Jose, and Fairfax County – have instituted a new project management approach in the review process. We made follow-up telephone calls to San Diego to discuss its new development review process in more detail.

San Diego's "Process 2000"

Three years ago, San Diego re-engineered its land development process and instituted Process 2000. The objective of Process 2000 is to improve customer service by making the system coordinated, timely, predictable, and less costly for applicants. As shown in Table 6, changes in San Diego's process are intended to address problems which are similar to those which Portland and other jurisdictions have had difficulty resolving.

Table 6 Major system changes with Process 2000 in the City of San Diego, California

Old system	Process 2000
No single system manager	Development Services Department accountable for system change
Multiple system entry points	Single entry point into the system
Multiple separate departments, isolated reviewers, multiple missions	Multiple "disciplines" in a review team with one mission
Multiple computer systems by department	One common computer system
Inconsistent data, manual records, maps	Accurate and real-time access to information
Customer Submits multiple permits	Customer defines the "Project"
Unreliable City "opinions"	Early assistance with documented City discussions, agreements, and commitments
Conflict resolution unclear	Project manager has decision-making authority

SOURCE: Process 2000 pamphlet provided by the City of San Diego

Under San Diego's Process 2000, all development review staff from the various city departments (e.g., planning, buildings, and water) were moved into one department, called the Development Services Department. Process 2000 incorporates a project management approach, whereby each development proposal is assigned a project manager and an inter-disciplinary team of reviewers. All approvals – including land use, buildings, and public works – are handled by the same project team. Process 2000 also includes “documented early assistance” and a single automated tracking system that tracks all approvals/permits on a given project. In the City of Portland, each bureau has its own system, and in some cases (e.g., land use cases), there is no tracking system.

Officials we talked to in San Diego indicated that staff in seven departments were initially reluctant to consolidate into a single development department. Staff expressed concern that they would feel detached from development of land use and building policy and would lose understanding of the purpose of regulations they were charged with enforcing. Two managers we talked to, however, indicated that consolidation of specialists from various departments into one department has helped improve communication and efficiency without harming policy expertise of the reviewers. Reviewers are free to concentrate on ensuring compliance with city policy and addressing needs of customers. “Reviewers are now on the same page” according to one manager. “They don't have to report to different managers with different priorities and perspectives.”

Process 2000 has operated for three years on a pilot project basis and is currently being fully implemented. Public opinion surveys administered in San Diego to assess the development community's response to Process 2000 showed that 100 percent of customers surveyed found services to be more coordinated than under the previous system. In addition, 74 percent of those surveyed found the process more predictable and 22 percent indicated Process 2000 was less costly (50 percent reported fees remained about the same).

Chapter 4 Unresolved Problems with the Development Review Process

The City of Portland has improved the management and administration of the development review process in a number of ways over the past ten years. Despite these improvements, several problems remain unresolved. Specifically, the processing of land use applications and building permits remains time consuming and poorly coordinated, and management information is limited and unreliable.

Our review showed that building plan review times frequently exceeded City turnaround goals and land use approvals often required significant time. Both applicants and City development review staff we interviewed complained about the lack of coordination among City development bureaus, which contributes to delays, inconsistent decisions, and poor communication.

In addition, the organizations involved in the development review process do not produce timely and reliable management information. We had difficulty obtaining complete and accurate information on processing times and review costs. Also, the status of applications often cannot be determined without a time consuming search.

A variety of factors contribute to the continuing problems in the development review process. These factors include high workload, increased complexity of regula-

tions, inadequate administrative systems and procedures, and fragmented organizational structures. We discuss these factors in detail in Chapter 5.

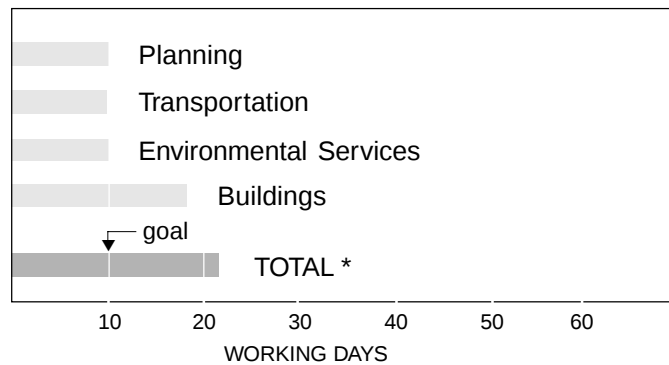
**Building permit
turnaround goals
exceeded**

The City is not meeting established turnaround time frames for review of building plans. The City's goal for residential plans is to complete initial review within 10 working days, or two weeks. In our test of 50 new single family residence permits issued during 1996, only six (12%) were completed within 10 days. On average, the City took four weeks to review these residential plans, or twice as long as the stated goal.

As shown in Figure 3, it took an average of 21 days (approximately four weeks) for all bureaus to complete initial review on new single family residence plans. Review staff in the Bureau of Buildings took an average of 18 days to review plans, while Planning, Environmental Services, and Transportation staff all averaged 10 days each.

On commercial plans, the City's turnaround goal is 15 working days, or three weeks. All of the 25 new commercial construction permits in our sample exceeded the 15 day turnaround goal, and five reviews took over 14 weeks to complete. On average, the City took over nine weeks (48 days) to complete these commercial reviews, three times the established goal of three weeks. As shown in Figure 4, all bureaus exceeded the three week turnaround goal for commercial permits. The Bureau of Planning averaged 19 days, Environmental Services averaged 20 days, Transportation averaged 26 days, and Buildings averaged 36 days.

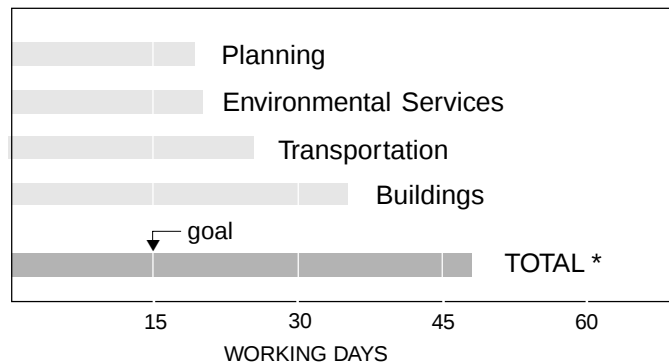
**Figure 3 Average plan review turnaround time:
New single family residences**



* Total is less than sum of bureaus' time because reviews can be simultaneous

SOURCE: Auditor analysis of 50 NSFR permits issued from March through August 1996, from Bureau of Buildings' Permit@Plan system. We did not verify accuracy of system data.

**Figure 4 Average plan review turnaround time:
New commercial buildings**



* Total is less than sum of bureaus' time because reviews can be simultaneous

SOURCE: Auditor analysis of 25 new commercial building permits issued from March through August 1996, from Bureau of Buildings' Permit@Plan system. We did not verify accuracy of system data.

We found in our structured interviews with City review staff that the backlog of plans in each bureau varied significantly. In some cases, we were told the backlog of plans resulted in several weeks delay before a plan would be reviewed after arrival at the bureau. One reviewer told us his plans sat an average of six to eight weeks before they would be reviewed, although it normally takes two hours or less to perform the actual review.

**Land use processing
can be lengthy**

To encourage timely processing of land use applications, State law requires local governments to approve land use applications within 120 days after an application is deemed complete. The applicant may waive the 120 day requirement to allow for additional time to review and approve the proposal. Although the Planning Bureau told us they routinely comply with the 120 day limit, we had difficulty verifying and evaluating the Bureau's compliance with this requirement.

Each land use application has a case file that contains the complete record of activity for the project including the application, correspondence, the staff report, applicant information, and the hearing decision. However, the Bureau of Planning lacks an automated case tracking system and does not maintain summary information on application status and processing times. Consequently, we could not verify compliance with the 120 day processing requirement or determine the number of cases in which a 120 day waiver was filed, without a time-consuming, manual review of each case file.

However, the Planning Bureau was able to provide a listing of all land use cases processed in calendar year 1995. The list contained the date of initial application and the date of final decision, but did not show the date the application was deemed complete by the Bureau. Thus, we could not evaluate compliance with the 120 day standard. From this list, we calculated the average processing times for all Type I, II, and III land use cases handled in 1995, measured from initial application until a final decision was rendered on the case.

As shown in Table 7, the average processing time for all land use cases was 70.1 days. Type I cases averaged 48.5 days to process, while Type II cases averaged 67.3 days and Type III cases averaged 111.4 days.

**Table 7 1995 land use cases: days in processing
(from initial application to final decision *)**

	Type I	Type II	Type III	TOTAL
0-50 days	154 (72%)	362 (61%)	7 (5%)	523 (55%)
51-100 days	32 (15%)	115 (19%)	92 (60%)	239 (25%)
101-150 days	12 (6%)	46 (8%)	26 (17%)	84 (9%)
151-200 days	4 (2%)	17 (3%)	10 (7%)	31 (3%)
over 200 days	10 (5%)	51 (9%)	17 (11%)	78 (8%)
TOTAL CASES	212	591	152	955
Avg. Days	48.5	67.3	111.4	70.1

* The data in this table do not correspond to the 120 day limit for processing land use cases. Planning Bureau list did not include "application complete" dates.

SOURCE: Auditor analysis of Planning Bureau listing of 1995 land use cases.

A total of 78 cases (8%) took over 200 days to process, from initial application to final decision, while 109 cases (11%) took over 150 days to process. We could not determine how many of the cases exceeded the 120 day limit, or how many had waivers signed, without reviewing each case file individually. According to the Planning Bureau, longer processing times occur for a variety of reasons including project complexity, incomplete plans and information from the applicant, and public opposition.

In order to further analyze factors contributing to lengthy processing times, we selected a sample of 15 Type III applications that had total processing times exceeding 120 days. For these 15 case studies, we reviewed the case files and interviewed the assigned planners and representatives of most of the applicants.

Based on our review, nine of the 15 cases were completed within the 120 day limit, two exceeded the limit and four exceeded the limit but had signed waivers from the applicants. Significant time was spent during the application stage, and as a result of appeals to Council. As shown in Table 8, the 15 applicants spent an average of 80 days from application submittal until the application was deemed complete by the City. During this period, the applicant must respond to feedback from the City in order to begin official review by the City. Initial applications sometimes fail to include needed information or contain items which may not satisfy code requirements.

In two of the 15 cases selected, the applicant appealed the Hearings Officer's decision to City Council. Another

case was referred directly to Council for a decision. The hearings process for these three cases lasted an average of 203 days before a final decision was rendered by City Council.

**Table 8 Days to complete Type III land use reviews:
Analysis of 15 cases with known delays**

	APPLICATION	APPLICATION TO DECISION (120 day limit)		
	Days from submittal until deemed complete by City	Hearings decision	Council decision	Total days
1	134	34		34
2	70	43		43
3	62	46		46
4	83	52		52
5	258	52		52
6	19	55		55
7	64	61		61
8	81	66		66
9	123	112		112
10	43	124		124 *
11	11	134		134 **
12	145		142	142 *
13	22	183		183 **
14	16	82	258	340 *
15	70	152	209	361 *
AVERAGE	80	85	203	120

* applicant waived 120 day limit

** exceeded 120 day limit

SOURCE: Auditor analysis of Bureau of Planning's land use case files

From our review of case files and interviews with applicants and City staff, we found several reasons for delays in the processing of land use cases:

- The application phase can be long due to the large and complex nature of the project, requiring significant research and analysis. Because of complex code requirements, applicants do not always fully understand land use laws and development requirements.
- Applicants sometimes submit land use applications without sufficient information and documentation.
- Applicants do not always respond promptly to conditions and information requests from City staff.
- City bureau representatives do not always provide sufficient information or clearly define approval criteria.
- The applicant sometimes changes a proposal during application discussions.
- Land use approval criteria are often complex and subjective in nature, resulting in considerable discussion and negotiations between the applicant and City staff.
- The City encourages applicants to sign a 120 day waiver in order to have more time to find solutions to development problems.

Applicants and City staff complain of coordination problems

While the City has made a number of improvements in its development review process, the lack of coordination remains a major problem for the City. Similar to the findings of earlier studies, both applicants and City review staff we interviewed complained of poor coordination among City bureaus. According to our interviews, coordination problems contribute to processing delays, inconsistent or conflicting decisions, and lack of accountability.

City staff told us the review process is adversely affected by the number of bureaus involved and the fragmented review and approval process. They also said coordination among bureaus is difficult because each bureau has separate priorities and responsibilities, and no one manager or organization is responsible for the entire process. Another employee said City review staff do not work as a team on development applications. We were also told building plans are occasionally lost because of the need to route documents to six bureaus in different locations. Appendix A provides a listing of comments made by City review staff we interviewed.

Our discussions with 15 applicant representatives also showed considerable frustration and concern with bureau coordination. While several applicant representatives we talked to complimented City staff capabilities and efforts, many expressed frustration with the lack of central management of the development review process. Applicant representatives said it is impossible to find a central point for decision-making and to obtain a firm understanding of approval needs and processing timelines. One applicant

told us too many permits are delayed or lost during the interchange of plans from bureau to bureau.

Another applicant told us the previous development liaison helped solve inter-bureau conflicts and delays, but one person cannot coordinate and manage the number of complicated proposals and applications handled by the City each year. Appendix B lists some of the more significant comments and complaints of applicants we interviewed.

Most developers and applicants we interviewed had more complaints about City land use reviews than about building plan review. It is important to recognize the differences between these two review functions. The building permit function is ministerial in nature and, for the most part, building codes are clear and accepted by builders. Problems in building plan review are related primarily to administrative systems and procedures, and inter-bureau coordination.

In land use review, there is more of a challenge identifying all the rules and regulations that pertain to an application. In addition, land use policies are more broadly stated and subject to greater interpretation. While there is a need to improve administrative systems and inter-bureau coordination in the land use review function, the issues of rule interpretation and public input make land use reviews challenging and much different than building plan reviews.

Chapter 5 Factors Contributing to Ongoing Problems

We have identified a number of factors which contribute to ongoing problems in the City's development review process. The primary factors leading to the development review problems discussed in Chapter 4 include:

- increased workload due to rapid growth in development activity
- complex and conflicting development policies
- inadequate processing procedures and management systems
- lack of central leadership and organizational accountability

The following subsections discuss each of these factors.

Growth in development activity

Over the past five years, the City and region has experienced consistent and rapid population growth and building development. As shown in Table 9, land use cases have increased by 26 percent over the past five years, from 822 to 1,038. Involvement of other bureaus in land use reviews has grown even more dramatically – up 292 percent for Environmental Services, up 279 percent for Transportation, and up 173 percent for Water.

Table 9 Development review workload: FY 1991-92 through FY 1995-96

	1991-92	1992-93	1993-94	1994-95	1995-96	% Change '92-'96
Land Use (LU) Cases	822	790	834	1,005	1,038	+26%
LU cases reviewed by Transportation	335	296	1,012	1,244	1,271	+279%
LU cases reviewed by BES	184	292	491	832	721	+292%
LU cases reviewed by Water			354	84-	967	+173% *
LU Pre-app Conferences by Transportation	293	308	349	368	309	+5%
LU Pre-app Conferences by BES	207	245	313	287	340	+64%
Building Permits Issued	6,973	7,095	7,068	7,108	7,080	+2%
Bldg. permit plan checks by Transportation	1,160	1,212	1,143	1,766	1,555	+34%
Bldg. permit plan checks by Planning	3,161	3,424	3,948	4,425	4,853	+54%
Permit Center walk-ins / Info by Planning	29,006	32,659	33,991	35,096	42,586	+47%
Electrical permits	15,811	16,652	16,747	12,952	12,857	-19%
Plumbing permits	6,333	7,471	7,493	7,765	8,158	+29%
Mechanical permits	6,795	6,714	6,964	7,113	7,228	+6%
Commercial & Subdiv. streets by Trans.	27	27	24	47	50	+85%

* Percent change from FY 1993-94 to FY 1995-96

SOURCE: Information obtained from bureaus by Audit Services Division staff.

Building permits issued have increased only slightly during the five-year period, increasing 2 percent from 6,973 to 7,080. However, according to City staff, workload may be much higher because there are increasingly more units of housing per building permit. In addition, the number of building plan checks by bureaus has increased more significantly, as evidenced by the 54 percent increase in plan checks by Planning Bureau staff, a 34 percent increase in plan checks by Transportation, and a 47 percent increase in the number of Permit Center walk-ins and Planning information requests (see Table 9).

Review staff we talked to also said that applications now require more work than in the past because the regulatory environment is more complex. And, because much of the City has been developed, more properties being developed are “in-fill” properties that are steep, have poor drainage, or are irregular. Review staff and applicants must spend more time and effort to ensure such projects comply with design and environmental regulations.

City bureaus have responded to the growing development workload over the past five years by increasing staffing and expenditure levels. As shown in Table 10, total staff has grown by 50 percent (from 105.5 to 158 FTEs), while expenditures (adjusted for inflation) have grown from \$7.3 to \$10.2 million (+40 percent). The number of Planning and Building staff devoted to development review increased by 46.

**Table 10 City development review staffing and expenditures:
FY 1991-92 vs. FY 1995-96 (dollars adjusted for inflation)**

	FY 1991-92	FY 1995-96	% Change
REVIEW STAFF			
Planning	24.5	42	+71%
Buildings*	61	89.5	+47%
Transportation	8.5	12.5	+47%
Environmental Services	6.5	8.5	+31%
Water	1	1.5	+50%
Fire	4	4	+0%
Total staff	105.5	158	+50%
EXPENDITURES			
Planning	\$2,248,715	\$3,498,330	+56%
Buildings*	3,407,593	4,615,196	+35%
Transportation	803,476	998,129	+24%
Environmental Services	451,369	712,338	+58%
Water	48,176	81,054	+68%
Fire	364,984	317,696	-13%
Total expenditures	\$7,324,313	\$10,222,743	+40%

SOURCE: Data obtained by Audit Services Division staff from IBIS and bureau records.

* Excludes inspections function.

Complex and conflicting development policies

Complex, new, and sometimes conflicting laws and policies have also contributed to processing delays and coordination problems. Federal, state, and local regulations have imposed new requirements on building and development. For example, ADA/handicap access and seismic regulations have added to the complexity of requirements. Similarly, federal clean water regulations have imposed new and complex requirements to address stormwater pollution of rivers and streams. In addition, City goals to increase

mixed use development and encourage more density create more complex projects that are unfamiliar to City staff and developers, and require increased work to ensure applicants satisfy all requirements.

The growth in regulations was the second-most frequently cited problem by City review staff we interviewed. Eighteen of 30 staff stated that the growth in rules and regulations had increased workload, worsened inter-bureau coordination, and lengthened review time. (See Appendix A.)

In addition, staff we talked to indicated the City sometimes adds new regulations that are not adequately screened and evaluated for potential conflicts. For example, we were told by both City staff and developers/applicants that the Region 2040 Plan's goal of reducing urban sprawl through increased living density can conflict with stormwater drainage requirements and citizen concerns about new building in neighborhoods. Policy conflicts have also occurred over street grades and public safety access, private and public street designations, and landscape buffering requirements.

Several City staff members told us that policy conflicts among City agencies are some of the biggest contributors to delays and inefficiency in the review process.

**Inadequate
processing
procedures and
systems**

Lack of uniform review procedures and shared automated management information systems also contribute to problems. Each bureau establishes its own priorities and review procedures, and there is not a clearly defined process that links and coordinates the review methods employed by each bureau.

Lack of uniform procedures

Most reviewers we interviewed told us they had no written policies and procedures to follow in conducting building plan reviews. This lack of common procedures results in inconsistent review work, a lack of reliable information, and a breakdown in communication. For example, in our analysis of building permit turnaround time, we found some information in the permit tracking system was unreliable because different reviewers entered different kinds of information in the same data fields. Another example is the variation in the way reviewers prepare corrective comments. Some handwrite their comments, while others type comments. In addition, some reviewers send their comments directly to the applicant, while others simply attach their comments to the plans.

Lack of supervisory review

We were told by building plan review staff that no one reviewed their work. Supervisors told us reviewers were professionals and there were some built-in checks in the system. They cited review by City inspectors and consultants hired by applicants as examples of built-in checks. However, the possibility of error and omission exists, and we were told by some reviewers they do not have enough time to do a thorough job of reviewing plans.

Lack of a comprehensive permit tracking system

Some bureaus have records or systems for tracking the permits they issue. These records and systems are established on a bureau-by-bureau basis, and not all bureaus have a system. The Bureau of Planning, for example, does not have a system for tracking land use cases. We found

limited management information on land use cases available from the Bureau of Planning in our turnaround test and land use case studies.

The most sophisticated tracking system is the Bureau of Buildings' permit tracking system. While this system provides useful information, it also has significant shortcomings. Some of the information in the system is unreliable because not all reviewers enter information in a like manner. Moreover, the Bureau of Buildings has been dissatisfied with the system and is currently in the process of replacing it.

Because of problems with the building permit system, and because other permits and land use cases are tracked separately, or not at all, communication and coordination among reviewers is impaired. Information is not readily available on the status of plan reviews to City review staff or the applicant. In addition, gaps, contradictions, and duplication of effort can all occur in reviews because City staff are unaware of each other's judgments and actions.

Incomplete applications

A critical phase in the development review process is the submission of the permit application. While land use applications must meet established criteria before they are deemed complete by Planning, no minimum acceptance standards have been established for building permit applications.

Several reviewers we interviewed believe the practice of accepting all building permit applications results in delays and frustrates applicants. By accepting an incomplete

application, the City gives the applicant the expectation the permit is in process, when in reality changes must be made before the review can begin. In addition, accepting and attempting to work on incomplete applications can delay review of other applications.

Breakdowns in plan circulation

There are normally three copies of building permit plan sets circulated for review by the various development bureaus, while there may be in excess of 10 reviewers who need to see the plans. We were told by both City staff and applicants, these plans sometimes get lost and are unavailable for reviewers needing to see them. And because reviewers place their comments on, or attach written comments to the physical plan sets, the status of an application may not be known by City staff and, therefore, unavailable to the applicant.

Lack of central leadership and organizational accountability

As discussed in Chapter 2, the lack of inter-bureau coordination has been a problem cited by studies throughout the 1980s and 1990s. While the DRT and DMT were formed to help improve coordination among bureaus, and improvements have been made, the lack of inter-bureau coordination continues to impair the quality and timeliness of service by the City.

As shown in Figure 2 of Chapter 1, development review staff are currently spread among six different bureaus and three different Commissioners. In addition, Figure 5 illustrates how the alignment of development review bureaus has changed over the past two decades. Thus, not only has

Figure 5 Changes in bureau assignments over 20 years

FY 75-76	MAYOR	COMM. #1	COMM. #2	COMM. #3	COMM. #4
	Office of Planning & Development: • Planning • Buildings	Wastewater Treatment		Water	Fire
	Traffic Engineering	Sanitary Engineering			
		Street/structural Engineering			
FY 82-83	MAYOR	COMM. #1	COMM. #2	COMM. #3	COMM. #4
	Water	Wastewater Treatment	Fire	Buildings	
		Sanitary Engineering	Planning		
		Street/structural Engineering	Traffic Engineering		
FY 89-90	MAYOR	COMM. #1	COMM. #2	COMM. #3	COMM. #4
		Water	Environmental Services		Buildings
			Planning		Fire
			Office of Transportation: • Traffic Management • Transportation Engineering		
FY 95-96	MAYOR	COMM. #1	COMM. #2	COMM. #3	COMM. #4
		Water	Office of Transportation: • Traffic Management • Transportation Engineering	Buildings	Planning
		Environmental Services			Fire

the City lacked a single development review director, leadership over individual development bureaus has also changed significantly.

We believe this lack of central leadership and direction over development review is a factor which contributes heavily to the City's inability to resolve ongoing problems with coordination and timeliness. Unless the City is able to establish common leadership and control over its development review function, it will be difficult to adopt uniform policies and procedures, a comprehensive management information system, and communication lines needed to bring about consistent, coordinated, and efficient review efforts.

Most bureau representatives that we talked to oppose the consolidation of review staff from each bureau into a new development review organization. Staff indicated that removing the policy implementers from policy makers would inhibit understanding of the policy intents and reduce feedback needed to ensure regulations are practical and achievable. Several people we talked to also said that a consolidation would affect the quality of enforcement efforts. Some staff said they would feel isolated from the standards they are charged to enforce and may incorrectly interpret the rules. Staff also expressed concern about losing career development opportunities in their profession if placed in a new organization, while others expressed concern about differing work rules and wage rates in a new development review organization.

However, we believe that despite some of these legitimate concerns, the ongoing problems with timely enforcement of land use and building standards require a new approach to

development review. We believe that separating enforcement from policy making should help improve and clarify both roles. Standard setting bureaus can spend more time ensuring rules and policies are consistent and clear before establishing standards requiring enforcement. We were told by many employees that timely enforcement of rules is inhibited by current conflicts in policies among bureaus. Similarly, a development review agency can concentrate on ensuring that development and building rules are followed in a timely and objective manner. Removing enforcers from policy makers would clarify mission and help bring policy conflicts to a single decision point.

We believe that bringing all development review staff together will facilitate the use of a project management/team approach that will ultimately make the process faster, more consistent, and less costly. For example, the Bureau of Planning has one group of planners which handles land use cases and another group of planners which reviews building plans. Under the project management approach, the same planning staff would handle both land use review and building plan review on the same project. This would result in fewer staff reviewing the project. In addition, there would be less opportunity for different reviewers making different, or contrary, rule interpretations and judgments on the same proposal.

Finally, one organization can better track the costs, workload, and output of development review. Currently, complete and accurate information on development review is not maintained, and in some cases no fees are charged for

development review services rendered by City bureaus. Placing development review in one organization will help the City track costs and revenues and achieve desired cost recovery rates.

Chapter 6 Conclusions and Recommendations

The City of Portland has taken numerous actions to improve its development review process. Various studies have been conducted and many steps have been taken to make development review more timely and responsive to the applicant. Despite these efforts, however, the process continues to suffer from delays, lack of coordination, and inconsistent service to applicants.

Some of these ongoing problems are caused by the increasing complexity of development in Portland and the pursuit of multiple and competing public goals. While City growth management goals encourage mixed-use and higher density development in neighborhoods, these actions may conflict with public perceptions of livability and frustrate achievement of environmental goals expressed in other policies. The task of addressing these competing policies in a predictable and timely way is challenging and demanding for City staff and applicants alike.

However, we also believe that the continuing problems in development review are in part caused by weaknesses in administrative systems and organizational structure. We found the system lacks effective procedures to process and track applications, to coordinate multi-bureau review efforts,

and to report on performance. In addition, methods to resolve policy conflicts among City bureaus are inadequate.

To address these weaknesses, the City needs to make a fundamental change in the way it administers development review. The goals should remain the same: to enhance the livability and safety of the City's natural and built environment. However, the process should better serve the needs of applicants by becoming more timely and efficient. We recommend City Council, in conjunction with responsible bureau managers, take the following actions:

- 1. Create a development review bureau with responsibility for review and approval of land use, building, and public works proposals.**

The mission of the development review bureau should be to enforce City land use, building, and infrastructure regulations in an effective, objective, and timely manner. We believe the new bureau should be staffed with employees that currently carry-out development review responsibilities in each of the six bureaus involved in the process. The director of development review would have sole management responsibility for the development review process, and report to an assigned Commissioner.

We believe the new bureau should operate as an enterprise fund and eventually support activities entirely from fees and charges to applicants. Although we have not analyzed the costs of forming a development review bureau, we would anticipate some additional costs would be incurred in establishing the bureau. Council should con-

sider assessing a temporary surcharge on existing land use and construction permit fees to help fund the start-up of the new bureau. Applicants may be receptive to temporarily higher fees if timeliness and efficiency can be improved.

In addition, we suggest that an acting development review bureau manager be appointed to chair a committee to plan and implement a transition to the new bureau. The transition committee should:

- prepare an implementation plan specifying milestones, budget, organization, staffing, and space needs;
- clarify bureau mission, goals, objectives, and responsibilities; and,
- oversee re-engineering of the development review process.

2. Develop uniform procedures to guide the work of review staff and utilize a project management approach to review development proposals.

Under the leadership of the new director of development services, uniform procedures should be adopted to help ensure review work is consistent and of an acceptable quality. These procedures should direct staff on methods for conducting reviews, preparing corrective comments, and communicating with the applicant. Policies should address the nature and extent of supervisory review of work, training of staff, and customer service expectations.

We also suggest City officials look to other jurisdictions which have successfully implemented a project management approach, such as the City of San Diego. Key to this approach is a customer service orientation, with a project manager serving as the lead for each application. The project manager would head a team with interdisciplinary expertise to review the project, and resolve conflicts among team members, the applicant, and the public. The project manager would also serve as the primary contact for the applicant and be responsible for guiding the project to a decision point. We believe such an approach would provide a clearer link between City review staff and the applicant to assess the nature of the project, the types of approvals needed, and approximate costs and time frames.

3. Develop a single, comprehensive tracking and management information system, and continue efforts to develop a GIS and other technological improvements.

The tracking and information system should allow tracking on a project basis and provide information on all aspects of the project, including land use, building, and public works reviews. The system should allow all City reviewers to input their corrective comments into the system so the status of a project and individual reviews are readily available to City staff and the applicant. In addition, the system should provide workload, plan review turnaround time, and other vital management information to assist in the management of the development review function.

The Bureau of Buildings is currently in the process of upgrading its building permit tracking system. Now would

be a good time to revise and expand the scope of the project to cover all aspects of development review. Although an expanded tracking system would initially increase system costs, we believe that developing a single, comprehensive system would better serve the needs of review staff and applicants, and eventually reduce overall costs to the City. The City should also continue efforts to develop GIS and other technologies designed to make zoning, infrastructure, and other needed information more readily available to City staff and the public. Such technologies will speed the City's review of applications and make reviews more thorough and accurate.

4. Continue efforts to provide applicants with more complete information about the City's development standards and review procedures, but also establish minimum acceptance standards for all applications.

The City has produced a variety of documents to assist applicants, such as the development manual and brochures that clarify building permit requirements. The City should continue these efforts to better inform the public on City requirements and procedures. However, we also believe the City should establish minimum acceptance standards which applicants must satisfy before an application is accepted for review. The City's current acceptance of incomplete permit applications can negatively impact the City's ability to review other applications and frustrates applicants when they learn no progress has been made on their application. Minimum acceptance criteria should be established and checklists prepared to assist both City staff and the applicant. In addition, the City may want to

consider adopting a documented early assistance program such as the one used in San Diego. Such a program consisting of information sharing, establishment of time frames, and written agreements on code interpretation, could help reduce the delays that occur during the application stage of the City's review of development proposals.

5. Establish a formal, ongoing process to streamline and clarify City development policies.

We believe a standing committee of representatives from each of the City's development bureaus is needed to provide review of all new regulations that are proposed, and to evaluate existing regulations for conflicts and ambiguity. The existing Development Review Team may be an appropriate group to assume this role. The director of the new Development Review Bureau should serve as chair of this standing committee and provide staff to monitor deliberations and assist resolution of policy conflicts.

Appendices

Appendix A Summary of Problems Cited in Structured Interviews with 30 City Review Staff

Incomplete Applications

Sample Comments:

*Number of staff
citing problems with
Incomplete
Applications*
19

- The Permit Center accepts all building permit applications without scrutiny.
- There needs to be minimum standards of acceptance for building permit applications; a thorough checklist is needed as well.
- Incomplete and inaccurate public works applications slow things down.
- Applicants submit incomplete plans and expect the City to complete them.
- Applicants often give sketchy drawings (in land use applications) to the Bureau of Planning with too little information for public works bureaus to respond to.
- Repeated revisions by applicants after plans have been submitted increase review workload.
- The development community needs to be educated on building codes to avoid delays and increased costs.

Negative Impact of Growth in Regulations

Sample Comments:

**Number of staff
citing problems with
Growth in Regulations**

18

- The growth in regulations has increased workload, worsened inter-bureau coordination, and increased review time.
- Sections of new regulations conflict with each other.
- There is a conflict between the 2040 Plan's high density goal and the storm water drainage requirements; there is no place on small lots to drain water.
- Water quality and other regulations conflict with the City's goal of achieving affordable housing.
- People who write the regulations are not technical people and don't have to live with them.

High Workload, Insufficient Staff

Sample Comments:

**Number of staff
citing problems with
High Workload &
Insufficient Staff**

14

- Development review workload is high and there is insufficient review staff to keep up.
- Review staff do not have enough time to do a thorough job.
- Turnover, difficulty in hiring qualified staff, and fluctuations in workload make it difficult to keep up with workload.

- Some review staff have large backlogs of plans to review.
- City staff do not have enough time to attend land use meetings.

Inadequate/Inefficient Review Practices

Sample Comments:

*Number of staff
citing problems with
Inadequate/Inefficient
Review Practices*

12

- There is a lack of oversight and controls to ensure the accuracy and completeness of reviews.
- There are no supervisory reviews of reviewers' work.
- There are no written policies and procedures for reviewers to follow.
- Land use reviewers only look at their special areas or make spot reviews.
- Reviewers spend significant amounts of time responding to public information requests, which take them away from review work.
- Some reviewers do not have enough time to do a thorough review.
- Some reviewers are unable to keep up with the rapidly changing software that is used by engineers in preparing calculations.

Inadequate Permit Tracking System

Sample Comments:

**Number of staff
citing problems with
Inadequate Permit
Tracking**

11

- The automated tracking system (Permit@Plan) does not serve reviewers' needs, is inaccurate, and is late providing information.
- There is no tracking of public works permits among the bureaus.

Lack of Inter-Bureau Coordination

Sample Comments:

**Number of staff
citing problems with
Inter-Bureau
Coordination**

9

- The City has a fragmented network of reviewers.
- No one is in charge of development review in the City.
- There is a lack of communication among bureaus; things get lost.
- There is a lack of coordination among bureaus in reviewing subdivisions.
- There is confusion, gaps, and overlaps in bureau responsibilities.
- Reviewers have varying methods for preparing comments.

The City Has Lowered Standards, Increasing Public Health and Safety Risks

Sample Comments:

*Number of staff
citing problems with
Lowered Standards and
Public Health & Safety*

6

- The City's new policy allowing private sewer pumps presents a public health risk should the pumps become inoperable.
- The adoption of a narrower street standard poses a risk of inadequate access by fire apparatus and of insufficient passage during road and utility maintenance work.
- The adoption of steeper street grades poses the risk of fire apparatus sliding backwards during inclement weather.
- The proliferation of speed bumps and traffic diverters pose a risk to access by emergency vehicles.

Piecemeal Development Creates Problems

Sample Comments:

*Number of staff
citing problems with
Piecemeal Development*

3

- All the good property is gone and only difficult-to-develop property is left.
- Transportation policy requiring street, sidewalk, and curb improvements by individual homeowners (for improving their property) results in drainage problems for neighbors.
- Piecemeal development results in the initial developer bearing the brunt of the cost of installing a storm water drainage system; developments get bogged down due to arguments over this issue.

Miscellaneous Problems

Sample Comments:

- The Bureau of Planning is slow and inflexible; small problems are not quickly resolved.
- No one tracks Bureau of Planning actions; it is time-consuming to obtain land use case information.
- The Bureau of Planning sometimes changes comments of bureaus before passing them on to the applicant.
- What the Bureau of Planning wants is not always consistent with what bureaus can allow.
- The Bureau of Planning is unable to fix bad codes in a timely manner.
- The 120 day limit (for land use case review) is too short and does not account for variations in project complexity.
- Scanning (i.e., assignment of a plan to bureaus for review) by the Bureau of Buildings is not always accurate; some bureaus receive plans they do not need to review.
- The Bureau of Buildings' practice of contracting-out some plan reviews exacerbates the problem of having few plans to circulate to bureaus.
- Plans get stuck within the Office of Transportation because some sections do not give development review a high priority.

- There is a general lack of communication and coordination within the Bureau of Environmental Services.
- There is a lack of upper-management support for development review in the bureaus.
- There are poor attitudes and poor management among the bureaus; some City staff have an “us versus them” attitude.
- Transportation stopped updating street/infrastructure maps on microfiche several years ago (in anticipation of GIS), so reviewers do not always have complete information on infrastructure; Transportation should have run parallel systems until GIS was up and running.
- City policy allowing private streets is a mistake; the result is substandard streets and neighborhoods.
- Applicants should have to pay additional fees for plan checks that are more difficult.

Appendix B Listing of Comments from Interviews with 15 Applicants/Developers

Customer Service

- My working relationship with the City was good.
- City staff was cooperative, helpful, and provided all necessary information.
- Planning staff showed a positive attitude and was willing to work toward a common goal.
- Planning staff provided guidelines and assistance in preparing the application.
- Planning staff was very helpful and constructive.
- The Bureau of Buildings is cooperative.
- There are political and attitude problems in the City.
- Working with the City is adversarial in nature.
- It's a nightmare calling the City. Calls are not returned. Voice mail is used to avoid talking to applicants.
- City staff are difficult to contact by telephone. They don't return telephone calls.

- It is difficult to get through to the Bureau of Planning; Planning does not return phone calls.
- City staff “pass the buck”; we can’t get approvals.
- Information provided by the City is generally excellent, but poor advice on a particular project resulted in the applicant changing site plan three or four times.
- The Bureau of Planning has real attitude problems.
- Planning staff sometimes do not admit mistakes and drag out resolution.
- City staff stray from the intent of the code. Planning staff are self-styled citizen experts who don’t understand the building and banking industries.
- We can’t work with the Bureau of Planning on a rational basis.
- Planning staff, in the past, were negative and went beyond the code regulations.
- If a planner wants to be sticky, unnecessary items can be used to hold up a project.
- The City exerts pressure on applicants to sign a 120-day waiver, and presents the waiver as being in the applicant’s best interest. The applicant feels if s/he does not sign a waiver, the Planner may find some small issue as reason to recommend the project be denied, so the City stays well within the 120-day requirement.
- The Bureau of Environmental Services lacks focus and is very difficult to work with.

- The Bureau of Environmental Services has real attitude problems.
- We can't work with the Bureau of Environmental Services on a rational basis.
- Staff within the Bureau of Environmental Services have a bad attitude.
- We can work with the Office of Transportation on a rational basis.

Inter-Bureau Coordination

- There's a real lack of coordination among the bureaus.
- There are too many permits that get held up or lost in the interchange among the bureaus. And no one from the City calls to notify and explain things to the applicant.
- City staff lose plans.
- The City's arcane form of government causes in-fighting because each bureau has a different boss. There is no strong, central management. There needs to be a liaison staff to cut through all the in-fighting.
- There needs to be one central point where an applicant can get needed answers and a definitive timeline.
- The development liaison position did not work well. How can one person select and prioritize among all the applications that come in?

Timeliness

- There were no delays, no complaints about the land use process.
- There are delays in both land use review and building permit review.
- The biggest problem is the lack of timeliness in processing land use applications.
- The City's land use application process is too long.
- The City reaches the right decision, after much delay.
- The City should be held accountable for sticking with timelines.
- We get put-off if the assigned staff is out of the office.
- City staff take most of their vacations in the summer when building activity is high, thus slowing plan review.
- Planning staff were on vacation and unavailable, delaying the review process.
- There is a lag in time from "application deemed complete" and the hearing date, resulting in additional costs.
- The City should reduce the time required for land use notices and hearings.
- The Bureau of Planning appeals take months.
- The hearings process takes too long.

- Unnecessary delays occur because different Planning staff review a project during building permit review than during land use review. Delays occur because the second reviewer is unfamiliar with the project and has different concerns than the first Planning staff.
- Applications just sit on desks of Transportation Engineering and the Bureau of Environmental Services, causing delays.

Ambiguous/Conflicting Policies, Standards, and Codes

- The zoning code is arbitrary, with no certainty; however, the biggest problem is Planning staff's interpretation of the code.
- City policies and code regulations do not have standards to judge situations, and results are ambiguous.
- Land use is arbitrary and lacks clear objectives and standards.
- Land use decisions are inconsistent.
- Planning is complex and arbitrary.
- Planning is more difficult to work with than Buildings; building codes are more clear cut and more readily accepted by builders.
- There are sometimes conflicting codes which require going through an adjustment process for resolution. Having to go through the adjustment process makes getting land use approval difficult and time-consuming.

- The City's regulations have become more important than their original intent, and should be rewritten to reflect their purpose.
- The City is making storm water requirements unreasonably difficult because BES is attempting to quantify requirements, even though there is so much uncertainty about the technology. The City requires extremely complex calculations which are based on assumptions and guesses. Although storm water quality design is in its infancy, City staff told the applicant his proposed system had not been proven to work and suggested the applicant use an expensive compost filter system recently developed by a specific manufacturer. Storm water review is really a boondoggle.
- Planning staff are enforcing storm water requirements (e.g., "impervious surface") even though they are amateurs on the subject; they sometimes come up with invalid interpretations and requirements, and are inflexible.
- There needs to be a rewrite and consolidation of elderly and disabled housing requirements. The Metro Human Rights Commission, Bureau of Planning, and Bureau of Buildings all have staff that review for compliance, and not all their requirements are consistent.
- Portland's zoning code, as it applies to antennas/ratio tower is outdated.
- The City should make it easier to develop smaller subdivisions, such as 5-lots, to help facilitate development within the Urban Services Boundary.

- The City has no standards for private vs. public streets.
- The City wants connectivity of streets, but has no plan. Roads are done piecemeal, which results in additional costs for individuals.
- Portland's vision – 2040 Plan and Livable Cities – doesn't jive with realities of the existing City (e.g., 100' x 40' lots).
- Current zoning doesn't compute with the way lots were subdivided years ago, and the City is very slow to grant a variance even though it is necessary. For example, the City's Code requirement for a 20' wide window doesn't jive with a 15' wide house. There should be an easier way.
- The City's goal of rowhouses with single-car garages isn't consistent with public needs. There isn't a market for them as envisioned by the City.
- Solar access requirements are absurd and conflict with the City's high density goal. If a street runs at the wrong angle, conventional homes and lots cannot be built.
- Transportation and BES rely on aesthetic value rather than on what is outlined in the code regulations.

Land Use Review

- The pre-application conferences are informational.
- Pre-application conferences are good and helpful.
- Planning made changes after the pre-application conference and after the application was deemed complete. Problems thought resolved resurfaced.
- The conditional use process needs to include closer collaboration and better understanding by both parties.
- City staff need to be less suspicious of land use applications and be more trusting in their interaction with the applicant.
- The City brought up new items to the Hearings Office without discussing them with the applicant.
- The applicant is usually impressed with the work of the City in land use cases.
- Planning staff made an error regarding zoning at the pre-application conference, causing a delay and additional costs.
- In land development, it is usually the neighborhood pitted against the developer.
- Neighborhood groups are not held accountable; meetings need to be held according to law.

Building Permit Review

- Portland has a sophisticated building permit function.
- The Bureau of Buildings has a good appeals process.
- The Bureau of Buildings sometimes does not get plans assigned to examiners, causing delays.
- Building permit reviews usually go smoothly.
- Middle managers in the Bureau of Buildings don't have a building background, but are relied on for decisions.
- The Bureau of Buildings' computer barely works.
- Buildings' plans examiners can be overly nitpicky.
- Different Buildings' plans examiners review the same plans for different houses, even under the Master Plan process. All examiners review the plans in detail and different examiners have different expectations, slowing down the review process.

Miscellaneous

- Builders have to devote much more time to development review than before.
- The City bureaucracy makes in-fill costly, aggravating, and time-consuming.

- Why does the City need to do a review when a certified engineer or architect has put his/her reputation on the line?
- It is difficult to build in Portland because it is already heavily developed and the City promotes, and even funds, neighborhood involvement.
- It would be better if applicants could make one check for a variety of fees instead of writing separate checks.
- Sewer design in the City is rigid, complicated and costly. There should be a simpler process for approving a simple sewer pipe tie-in, rather than always having to go through the formal BES Public Works Permit Process.
- Bureau of Planning front-line staff should be given more discretion and latitude.
- The bureau needing the most improvement is Environmental Services.
- Transportation Engineering staff have more work than they can handle efficiently.
- Some Fire Bureau reviews have occurred after construction, when it is much more costly to resolve problems.

Responses to the Audit



Buildings • Planning • Transportation

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May 17, 1997

TO: Barbara Clark, Portland City Auditor

FROM: Charlie Hales, Commissioner 

SUBJECT: Response to Development Review Process Audit

Thank you for allowing me to comment on the final draft of your performance audit of the City's development review process.

This audit is particularly notable in that it reaches across bureau boundaries to address critical city functions: review and enforcement of regulations for development and redevelopment. As your report makes clear, the City provides in a fragmented way a function that should operate as one system. The audit documents that this fragmented delivery and corresponding lack of accountability can be frustrating to applicants, interested parties and even employees.

I agree with the intent of all five of your recommendations, but I'd like address in particular the recommendation that the City create a development review bureau. The Council has looked to organizational change as a solution to development review problems for some time. In March 1997 we met in an informal session to discuss this issue. The Council directed me to develop a process to involve stakeholders in examining integration of development review functions. I have given that process a name--Blueprint 2000--and I have proposed goals and objectives for developing an integrated system to deliver development review functions. I believe this proposal is a timely response to the issues identified in your audit and I anticipate the Council will support moving forward.

I must note, however, that your recommendations fail to address the problems identified in the report in the area of stormwater policy and standards. Any system will not be able to deliver without clear direction in this area, and I will continue to press the Bureau of Environmental Services to bring standards to the City Council for approval. I would welcome any additional thoughts you might have about this particular issue.

I appreciate the audit team's thoughtful analysis. Your audit will be a useful resource for the Blueprint 2000 process and other service improvement efforts. I look forward to acting on your recommendations as part of this process.



CITY OF
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BUREAU OF PLANNING

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May 16, 1997

MEMORANDUM

To: Richard Tracy, Audit Director
Office of the City Auditor

From: David Knowles *DCR/SWF*

Re: Final Draft of Development Review Process Audit Report

Thank you for giving our bureau the opportunity to comment on your final draft of the audit report on the City of Portland's development review process. As Miriam Hecht, Susan Feldman and I told you at the time of our meeting to discuss the working draft in March, the document is very well organized, easy to follow and provides clear starting points for discussion and action. It also gives a succinct history of where the City has been.

Many of the suggestions about changes in the working draft that we gave you when we met have been incorporated into the final draft. There are still some word choices and descriptions which we would like to see changed or clarified in order to make the report more accurate; e.g. the word "enforcement" is often used when "implementation" is meant. We would be happy to meet with you again about these changes.

The Memorandum from Barbara Clark asks for our response to the conclusions and recommendations of the final draft of the audit report. The audit identifies real weaknesses in the development review system.

Your recommendation #1 to create a development review bureau suggests one way of addressing the weaknesses. Since Commissioner Hales is concurrently proposing a process, Blueprint 2000, with an outcome that would solve the problems you have identified, we recommend that the audit support the process rather than recommend a specific solution at this time.

We appreciate and are in agreement with the other 4 recommendations and look forward to working toward their implementation.



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May 20, 1997

MEMORANDUM

TO: Richard Tracy

FROM: Margaret M. Mahoney *Margaret*

RE: Development Review Process Audit

I want to take this opportunity to express the Bureau of Buildings essential agreement with the findings of the recent Development Review Process Audit conducted by your office. I want to recognize the contribution of all the City employees during the information gathering phases of this project and note my particular appreciation the synopsis of earlier efforts included with this report.

While issues related to coordination continue to be difficult for customers and employees alike, a thoughtful new approach to increasing opportunities for cooperation is more likely to have a successful outcome than maintaining the status quo.

Customers are very concerned about the amount of time required for permit processing but our experience tells us customers are equally concerned with issues of predictability. As the regulatory environment increases in complexity, we must look realistically to increasing the predictability of our review processes as a primary customer service strategy.

As we replace the current permit tracking system, we are looking for alternatives that allow single checksheet issuance with multiple bureau review. This feature will avoid customer confusion and promote an interbureau problem solving approach to code issues.

Finally, I would add our endorsement of continuing efforts at early identification of issues on a multi-bureau, project specific basis as a solid opportunity to achieve efficiencies on behalf of customers. Such documented, multi-issue oriented problem identification meetings can save customers and the City time and money.



CITY OF PORTLAND ENVIRONMENTAL SERVICES



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Dean Marriott, Director

MEMORANDUM

May 14, 1997

TO: Barbara Clark, City Auditor

FROM: Dean Marriott, Bureau of Environmental Services Director *DM*

RE: Final Draft of Development Review Process Audit Report

Thank you for the hard work you and your audit team have done to shed some light on the City's very complex development process. We appreciate the opportunity that BES staff have had to comment on both the preliminary draft and this final draft. I would like to comment on two points:

- Chapter 5, pages 56-60, discusses the lack of central leadership and organizational accountability in the development process. The draft states: "Unless the City is able to establish common leadership and control over its development review function, it will be difficult to adopt uniform policies and procedures..." The draft goes on to say that most bureau representatives that they have talked to expressed concern about removing the policy implementors from the policy makers, but that the audit team felt that "Removing enforcers from policy makers would clarify mission and help bring policy conflicts to a single decision point." The draft seems to make the assumption that the policies that are applied to development review are policies that have no other purpose than to guide development. This is not the case in the utility bureaus. In BES the policies, standards and specifications used to review development applications are established for the purpose of protecting public health, water quality and the community's investment in our collection and treatment systems. It is not clear how conflicts between these policies and those of other bureaus would be resolved by a single decision maker in a development bureau. It appears that since the recommendation is that policy conflicts are settled in the development bureau, development needs and values are paramount.
- The draft makes five recommendations with the first being the creation of a development review bureau. It should be noted that the other four recommendations could all be implemented under the direction of the Development Review Team without the creation of a single development bureau. By implementing recommendations two through five the City's goals could be met and the needs of the applicants would be addressed in a timely and efficient manner.

