



March 20, 2024

To: Portland Mayor Ted Wheeler and City Commissioners
RE: Testimony Regarding Bureau of Development Services Budget

Mayor Wheeler and Commissioners:

We are writing on behalf of thousands of businesses and individuals seeking to address our region's biggest issues by building the housing, infrastructure, and jobs that make Portland livable and economically vibrant. Following discussions with the Bureau of Development Services (BDS) leadership and City Council offices, we believe that a combination of budgetary and administrative tactics should be pursued to improve service-levels and ease the financial strain currently impacting the bureau.

We propose a plan of action that will ensure a stable and predictable permitting agency in Portland—one that doesn't experience volatile swings in its own solvency with every change to interest rates. This is a critical step toward our shared goals of increasing housing production, addressing our housing affordability crisis, reducing homelessness, and enhancing our city and region's economic prosperity.

Our plan calls on Council to immediately allocate \$6 million in one-time general funds from the next budget cycle and enact modest bureau-wide permitting fee increases across all permitting types in order to address BDS' budget shortfall.

We also believe those added resources will be well-aligned with the following administrative actions:

- Direct BDS to take a phased approach to layoffs that best aligns BDS capacity with permitting volumes.
- Direct BDS to continue its limited drawdown of bureau reserves to sustain operational functions for as long as it is feasible.
- Implement new permitting efficiency measures like self-certification of certain permit types (such as tenant improvements), third-party reviews, and permitting "shot-clock" decision deadlines. These will improve service, reduce demand on staff, and provide more timeline certainty to those applying for permits.

We believe this is a smart and reasonable approach, and one where we are working collaboratively—and all bearing some of the cost—toward the shared goal of a stable and predictable permitting agency in Portland. This is a particularly important objective as the implementation of a single permitting authority is fully underway. There is also a strong consensus among our organizations that any increase

to permitting fees should have a direct connection to improved services and more predictable timelines. The result will be greater housing production and more equitable economic opportunities.

Our proposal builds on the important steps you have recently taken—including changes to the Inclusionary Housing program and adoption of the Housing Regulatory Relief package—to address concerns that Portland’s regulations and permitting timelines are some of the largest barriers to ramping up housing production and economic development to the levels we need. We also believe that this proposal will make the internal business of city permitting more sustainable into the future.

We are confident that if both builders and city officials are willing to stretch themselves to accomplish shared policy and process objectives, then we will see stronger housing production in Portland as market forces shift in a more favorable direction. If BDS is well funded and process improvements continue to be successfully implemented, we can ensure all permit types are processed in a timely and efficient manner, improving Portland’s reputation as a place to produce housing, and fostering a more equitable and productive building environment for all.

Thank you for your thoughtful outreach on this issue and for the important steps already taken to see Portland become a city that once again works, and works well.

Co-signed:

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