



Unreinforced Masonry Policy Committee Meeting

Meeting Summary

City of Seattle, Department of Planning and Development

Seattle Municipal Tower, Room 4050, 700 5th Avenue, Seattle, WA 98104

Wednesday, April 16, 2014 – 8:30 a.m. to 10:30 a.m.

Attendance

Committee Members

- Bob Frietag, University of Washington
- Lara Simmons, Structural Engineer
- Ryan Smith, Martin Smith Inc.
- Sean Martin, Rental Housing Association
- Art Frankel, USGS
- Terry Lundeen, Coughlin Porter Lundeen
- Lynda Carey, Bellwether Housing
- Paul Mar, SCID Preservation and Development Authority

- Keith Moore
- Michale Robinson, A.I.D. Development Group
- Mark Pierepiekarz, MRP Engineering

Staff & Presenters

- Angie Thomson, Facilitator, EnviroIssues
- Jeremy Borrego, EnviroIssues
- Sandy Howard, DPD
- Steve Moddemeyer, Collins Woerman
- John Siu, DPD
- Maureen Traxler, DPD

Introductions and Agenda Overview

After a round of introductions, Angie Thomson, EnviroIssues, reviewed the agenda with the committee.

Funding Options

Steve Moddemeyer, Collins Woerman, presented funding options for the unreinforced masonry policy. He cited a funding matrix handout available to the public with data on the various funding options. An audience member asked whether banks would loan money for retrofitting buildings. Steve answered it would depend on the proposal. Steve then described updates to the benefits cost analysis document, including additional sensitivity analyses.

Bob Frietag, University of Washington, asked about quantified versus unquantified values for building retrofits. He noted that the cost benefit analysis examines earthquake events and the circumstances leading to the events. Steve responded the sensitivity analysis takes into account some of the uncertainty leading up to events, and although the models are imperfect, they are the current standard for capturing the return on investment for retrofits.

Bob stated the Oso landslide might be a case study to be considered. Art Frankel, US Geological Survey, added there are many scenarios that haven't been considered, that using the median values may

underestimate impacts, and that buildings may get weaker with each impact. Steve responded that they may want to look into brick buildings weakening with each seismic event. Bob said that the HAZUS model examines buildings, but not social impacts or other factors.

Steve continued describing each type of funding reviewed in the report, including transfer of development rights, Community Development Block Grants (CDBG), income tax credits, tax exemptions, and floor-area ratio bonuses.

An audience member asked whether development rights that were sold could be purchased back by the seller in the future. Steve and Lynda Carey, Bellwether Housing, answered they could not be purchased back once sold. Steve said historic and rehabilitation income tax credits and property tax special evaluations for historic properties are promising options for encouraging retrofits. A property tax exemption could have a potential benefit up to \$440,000, but requires legislative action to enact. Lynda said that property tax exemptions are attractive because expenses for property owners are reduced and they can take on more debt.

Audience members questioned height limits for floor-area ratio bonuses, such as two-floor limits in industrial zones. Steve stated this is currently a constraint and noted that the city would have to identify zones for the bonuses to apply.

Bob stated architectural support and tools for retrofits would be helpful. For the home retrofit program, they helped people save money by providing information and case studies on retrofits.

Funding Recommendations

Angie asked the policy committee to consider viable funding recommendations.

Paul Mar, SCID Preservation and Development Authority, asked Steve to describe the total amount of benefits available for retrofits. Steve answered that the total would be up to 40 cents on a dollar, but that the benefits accrue to the property and public in some proportion. In some cases, the non-quantifiable variables (e.g. neighborhood character, community character) could cause benefits to exceed this value.

Lara Simmons, structural engineer, stated tax exemption seems like a good idea and asked how long it would take to implement. Steve noted that the timeline is about three years and would require political action. An audience member asked about the value of tax breaks, and Lynda responded that a Bellwether building in Belltown pays only a small portion of property tax.

Angie asked what would be necessary to make these funding options work. Steve stated it would be up to the City Council and Mayor. Paul said landmark and historic buildings could be a challenge since some of those buildings are not eligible for some incentives. Steve noted that approximately 18% of URMs are historic buildings.

Lara asked who would pay for grant programs. Angie responded that the City would need to provide funding, which could be a challenge. An audience member added that in project impact years a FEMA grant would be possible. The audience member asked if the grant could be available before an event. Lara responded that in New Zealand pre-event mitigation grants are available.

An audience member asked if the benefits and tax credits would be retroactive. Angie responded that the committee has not addressed that recommendation but it could be discussed. An audience member noted that banks are very conservative and even when they loan money, they often appraise properties very low.

Another audience member stated that a social impact fund and financing from banks is a new area to consider. Banks may provide lower interest loans for community benefit. Mike Powe, Preservation Green Lab, just finished research about the benefits of buildings like URMs to the community. An audience member stated banks are required to follow the Community Reinvestment Act (CRA), which includes reinvestment in community that cannot normally secure funding.

One audience member asked if URM funding would reimburse for building owners if tenants had to move out to accommodate retrofits. Lara responded that retrofit cost estimates include relocation. Another audience member noted that many older buildings are also incubators for small businesses.

No-Funding URM Policy Alternative

Angie asked the committee to discuss what the group's recommendation would be if no funding was available for retrofits. Michale Robinson, A.I.D. Development Group, responded that if this URM policy is for just Seattle, then it will require funding. He noted that if it was a statewide policy, it might be different. Sean Martin, Rental Housing Association, agreed.

Angie asked if the group was recommending that without funding, the program should be voluntary. Lara responded that if no funding is available then the program should go forward. It should be mandatory. She reflected that after the earthquake in Christchurch, all businesses and tenants were displaced at one time. This would be disastrous in Seattle.

John Siu, DPD, suggested the committee consider scenarios beyond all or nothing. He wondered if the group would recommend implementing some elements of the plan as mandatory and other pieces as voluntary. For example, placing a placard on URM buildings could be a mandatory element, which is inexpensive.

Terry Lundeen, Coughlin Porter Lundeen, said the committee should consider creating a mandatory program for buildings at higher risk. Lara reminded the group that at the last meeting, the group suggested the policy be mandatory for high and critical risk buildings, but voluntary for medium risk buildings. Ryan agreed, but clarified that 1) the list of URM buildings needs to be refined and 2) funding must be provided for the policy.

Lara suggested that all buildings should be required to have an engineering assessment, paid for by grants from the city or other sources. A URM assessment for a three story building would cost approximately two-thousand dollars.

Ryan and Terry proposed that the existing URM list should be refined by city staff. Lara agreed that the windshield survey needs to be improved.

Next Steps

Angie summarized the list of funding options. She continued by saying the committee seems to agree that regardless of funding, the list of URM buildings needs to be improved by the city. She clarified that if no funding is available, the committee recommends making an initial building assessment mandatory, critical risk building retrofits mandatory, and medium risk building retrofits voluntary. High risk building retrofits could be voluntary or mandatory, depending on the number of buildings in this category as defined by the refined URM building list.

The committee agreed a better URM list would be helpful, but Lara stated the committee needs to set criteria of what constitutes a better list. Terry suggested that the committee is trying to understand the categories of buildings, but Jon added that there is currently no budget for the program. A request could be made to the City Council for the resources to improve the list.

Angie reviewed the recommendations of the group, and Sandy suggested the committee could come up with a non-mandatory retrofit policy option. The committee will decide on factors for a better URM list, ask the city to do work and meet again to discuss mandatory versus voluntary building retrofit recommendations.

Angie thanked everyone for their time and adjourned the meeting.