



## Unreinforced Masonry Policy Committee Meeting

### Meeting Summary

City of Seattle, Department of Planning and Development

Seattle Municipal Tower, Room 4050, 700 5<sup>th</sup> Avenue, Seattle, WA 98104

Monday, March 24, 2014 – 8:30 a.m. to 10:30 a.m.

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#### Attendance

##### *Committee Members*

- Lynda Carey, Bellwether Housing
- Art Frankel, USGS
- Bob Freitag, University of Washington
- David Gonzalez, Degenkolb Engineers
- Terry Lundeen, Coughlin Porter Lundeen
- Paul Mar, SCID Preservation and Development Authority
- Sean Martin, Rental Housing Association
- Mark Pierepiekarz, MRP Engineering
- Michale Robinson, A.I.D. Development Group

- Lara Simmons, Structural Engineer
- Ryan Smith, Martin Smith Inc
- Eugenia Woo, Historic Seattle

##### *Staff & Presenters*

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

#### Introductions and Agenda Overview

After a round of introductions, Angie Thomson, EnviroIssues, reviewed the agenda with the committee and noted there would be a presentation added to the agenda. Steve Moddemeyer, Collins Woerman, was asked to revisit the benefit-cost analysis presented in the previous URM Policy committee meeting. To conclude the meeting, the committee would review potential topics for further discussion at future committee meetings.

#### Benefit-Cost Analysis Discussion

Steve presented changes to the URM retrofit policy benefit-cost analysis to the committee. The likelihood of an earthquake changed from 1.7% to 3%, which increased the potential benefit from a retrofit. Art Frankel, USGS, stated there is a 50-year probability for a Nisqually-type earthquake. He added that the HAZUS program may be under representing potential damage and there is general uncertainty in the numbers.

An audience member asked about the cost-of-life estimates in the model. Steve replied that the model employs FEMA's 2008 numbers for life quantification. Moreover, local numbers for life loss based on HAZUS inputs for day- and night-time occupancy of buildings were used. John Gibson, Gibson Economics, added that the model addresses a broad range of buildings and individual buildings may have higher occupancy rates than the average presented in the model. Mark Pierepiekarz, MRP Engineering, inquired about the variability in the model. Steve responded that the analysis represents only 1% of the buildings in Seattle.

An audience member questioned whether the model took into account the historic value of a building. Steve and John responded that the current value of a building was accounted for, but that a reassessment may be necessary to include other variables. The audience member responded that buildings have intrinsic values that define the character of Seattle. Sean Martin, Rental Housing Association, stated that the purpose of the Bolts Plus retrofits are to preserve life and safety and not necessarily to save buildings. Steve replied there are economic impacts of the policy, including the demolition of buildings if the policy is not well crafted with incentives.

### **Review of Policy Committee Recommendations**

Angie thanked Steve and John for the presentation and asked the committee to share their thoughts on the work over the past two weeks and the previous two years. Bob Freitag, University of Washington, asked how the policies were developed in San Francisco and Los Angeles. John replied that San Francisco passed bonds to provide funding for retrofits, but LA did not provide financial assistance aside from zoning incentives for parking compliance. Paul Mar, SCID Preservation and Development Authority, asked what percentage of buildings were demolished in San Francisco. Michale Robinson, A.I.D. Development Group, and Steve responded approximately 20%. Michale clarified that the number of buildings rebuilt was 100 out of 1,000 and \$100 million in bonds were passed.

Angie described the risk categories for the committee and asked if the categories still seemed appropriate. Sandy Howard, DPD, said the city has liquefaction maps to help building owners assess risk. Angie discussed the process for completing a retrofit. The committee did not indicate that the categories of risk or retrofit process should change given new information presented by Steve and John.

Angie listed tools available to assist with the retrofit. Lynda Carey, Bellwether Housing, suggested that medium risk building owners could perform retrofits voluntarily. Angie clarified that there is a baseline assumption in the report that the program would be mandatory. Sandy reiterated public comment that encouragement is better than enforcement. Sean proposed the public benefit of the policy is a justification for public assistance. Angie added that the committee suggested public funding and other finance options two years ago and now may be a good time to readdress the topic.

Bob suggested public increment financing and tax increment financing as options. Steve responded that tax increment financing was covered in the report, but tax exemptions would need to go through Olympia. Ryan Smith, Martin Smith Inc., suggested insurance incentives as an option. An audience

member stated the city has an obligation to keep housing affordable, therefore public funds should be considered exhaustively. Angie reminded the committee that public funding has been a consistent obstacle since the beginning of the policy meetings. Angie continued by reviewing proposed incentives and tools for enforcement. The committee agreed that funding is a topic worth revisiting. Steve briefly recapped the incentives in the report.

Angie questioned whether the committee would like to revisit the mandatory nature of retrofits for medium risk buildings. Lara Simmons asked if it would be possible to incentivize retrofits until public funds were available. Sandy replied that 14-15% of the potential URM buildings may have been retrofitted and possibly more. Terry Lundeen, Coughlin Porter Lundeen, suggested that if the policy is not mandatory then nothing will happen. Lynda responded that there must be public funding tied to the program if it is mandatory to make it effective. Mark added that a regional approach may help with outreach to the state for public funding because of the larger impacts to the regional economy and employment. Michale suggested that the policy should give building owners time to seek out financing. Lynda clarified that the retrofits would happen at the pace of building vacancies. Eugenia suggested the political climate has changed so public funding may be an option now.

Angie asked if the committee had decided whether the retrofit policy should be voluntary or mandatory. Lynda stated the return on investment for a retrofit is generally very low. Steve added that demolition would be much more likely with a mandatory policy. Ryan proposed the group examine other case studies and exact numbers for each risk category. Sandy and Jon Sui, DPD, responded that the city does not have the resources to analyze each building individually. Ryan suggested that the city do a subset analysis and refine the list of URMs. The committee discussed the public benefits and policy mandate further. Angie summarized the committee's positions and concluded that there was consensus that the policy should be mandatory with public funding attached.

### **Wrap Up and Next Steps**

Angie reviewed the policy committee's next steps. The committee will reconvene on April 16, from 8:30 – 10:30 a.m., to further discuss the final report, public outreach and scenarios for public funding. The committee will also look at issues raised by the public, including financing and incentives.

Action Items for DPD:

- Upload the benefit-cost analysis and presentation to the policy website.

Angie thanked committee members and meeting attendees for their participation.