



PORTLAND BUREAU OF EMERGENCY MANAGEMENT

Steve Novick, Commissioner-in-Charge • Carmen Merlo, Director
9911 SE Bush Street, Portland, OR, 97266-2562
(503) 823-4375 • Fax (503) 823-3903 • TDD (503) 823-3947

Meeting Summary

February 4, 2016

Unreinforced Masonry Building Seismic Retrofit Project Policy Committee

Present:

Dennis Andersen

Tom Carrollo

Hermann Colas

Matthew Eleazer

Brian Emerick

Sean Hubert

Matthew Illias

Margaret Mahoney, Chair

Javier Mena

Walt McMonies

Peggy Moretti

Carmen Merlo

Ken Rust

Tom Sjostrom

Jen Sohm

Action Items from Previous Meeting

Amit presented cost information from last meeting in more detail: costs for seismic retrofits came from FEMA in 1994, and figures shown are indexed for construction cost inflation and regional cost variation. A handout shows 10 different buildings for the average cost. Outliers have been excluded. This presentation shows a wide range of buildings, not just one building.

Sean: Impacts to apartments may be greater, especially accounting for relocation costs. Figures shown reflect just the construction costs.

There was additional discussion of factors that impact costs (construction type, unit size, building use) and also possible sources for additional data points. Also acknowledgment that average costs are not always meaningful as the variance is large, depending on building types. Agreement to move forward but also to stay open to new information if it becomes available.

Carmen: The other question from last time is: what is the cost of doing nothing? In Christchurch, the 6.3M quake resulted in 185 deaths, 1,200 commercial buildings demolished, over 10,000 residential homes demolished and 6,000 employees either temporarily or permanently displaced. Of the 185 deaths, 42 were directly attributed to URMs failing. In 71% of cases it was individuals outside of the buildings. A portion of the central business district was cordoned off for over 2 years after. There were 340 URMs in CBD; over 70% were red-tagged.

In Napa, of about 50 URMs, only 20 were retrofitted. Of those 20 retrofitted URMs, only 20% were red or yellow tagged; however, over 70% of the unretrofitted URM buildings were yellow or red tagged.

Presentation on Historic Preservation Program – Nicholas Starin, Bureau of Planning and Sustainability.

There are two broad categories of historic resources: individual landmarks and districts. Kinds of landmarks: Local landmarks are designated by the city of Portland or the City Council. There are 300 or so buildings. We're no longer seeing those designations because of changes in state law. National Historic Registry, 700 buildings. Historic resources inventory buildings aren't protected but are on our radar.

Districts: Portland has 16 districts that can be designated locally. They are a collection of related buildings. Any alterations to contributing buildings have to go through review.

There are demolition regulations for historic buildings: 120-day waiting period for demo and there is a demolition review by the City. Immediate life safety issues allow the building to forgo the demolition process.

General Q&A on historic districts:

Q: Don't a % of the buildings have to contribute to be a district?

A: There is no hard or fast rule; it varies. And it has changed over time. In Chinatown, only about half the buildings contribute. That might not pass muster today.

Q: What is the land use flexibility?

A: In Portland's industrial zone areas can have a greater allowance for office or retail to provide for economic uses. In residential zones they can also have other uses if they are not suited to residential.

Q: How many URMS are historic?

A: There are totals in the handouts, which are contributing, non-contributing, etc. In the Central City, there are 490 URMs, about 60% have some historic value. Farther from the central city, there are fewer listings, but they may be historic with a small "h."

Q: If the buildings are non-conforming with respect to seismic standards (if we change the standards) will that make them easier to pass demolition review? Won't they then be "unsafe" by our own definition?

A: Buildings get through demolition review as "unsafe" because they are in imminent danger, e.g. they are about to collapse. Being non-conforming is not enough.

Q: Is it a risk to set the bar too high and encourage demolition?

A: It should be a consideration. The buildings that aren't listed as historic (even if they are potentially eligible for listing) and don't get the tax credits are even harder to finance.

There was a discussion of Tax Credits: Thirty-five states have a Rehabilitation Tax credit of 20% to stack with the 20% Federal Rehab Tax credit. That total 40% credit makes a huge difference.

Discussion of why the state doesn't have a rehab tax credit already--lost revenue was unpalatable.

Concerns were raised regarding affordable housing. There are probably many affordable housing structures that are also URMs. Also, older buildings may not be designated "affordable" but they are simply low market rents.

There was discussion of the special challenges of retrofitting historic buildings. Bracing parapets and some other "lighter" retrofitting may be just as easy as in other types of buildings. But there are special challenges: asbestos and lead may be disturbed, decorative elements need to be preserved and visible reinforcements / bracing / frames may not be allowed.

Is there any flexibility in national standards for seismic retrofitting? Not at this time. The Parks Service is generally not flexible. Local and state regulators also need to agree.

Are retrofits actually saving buildings after the earthquake? Probably not. Obviously life safety is a prime objective. But if we want to preserve the building then we would need a much higher level of retrofit.

There was a discussion of URMs in liquefaction areas. If a URM is in liquefaction zone, is it a demo? Amit recommended a study. Just being in the mapped area doesn't mean they are vulnerable. But if they are highly vulnerable, then the building will probably collapse no matter what. So the building owner should simply know that as they make their decision about whether to retrofit or demo.

Policy Discussion

Margaret: How should historic buildings be defined? Are some more important than others?

Peggy: I think historic buildings should receive priority for some incentives. Perhaps a tiered system. We need to decide which are most important.

Brian: Agreed. Designated historic buildings have already been through a public process and the public has weighed in that they have cultural value.

Peggy: I think the National Register is at the top. Not all significant buildings are registered. But this would create an incentive to do so [prioritizing them for incentives].

Brian: Many URMs on central eastside need attention and are not listed.

Walt: I don't think it would be terribly hard to make a list of the best ones. People will quibble over 2 or 3, but actually the best ones, everyone would see them.

Dennis: Many churches have declining membership and rely on endowment or adjacent parking lot income. Portland has the largest concentration of religious properties in the downtown area. They also provide many services downtown, childcare, food banks, and homeless services. Most would need to address asbestos and lead at the same time. Seattle did a study to establish contextual importance of churches. Other non-profits have similar troubles, and often are tied to specific ethnic or cultural communities to which they have special value.

Hermann: If the public at large benefits from them and agrees, then we should do a public bond so the public can help pay for it.

Ken: It's a tricky issue to lend money for a private entity. Voter-approved GO bond that gave money to a private entity is a problem. We've had a problem even with affordable housing projects. It's not a City issue, it's a state constitutional issue.

Peggy: We need to tap the private sector. We need some local funds in PDC-like fashion. We need to create a market for seismic-retrofitted buildings and get the public willing to pay more to rent a safer building. We need to remember that there are a lot of jobs here too.

Brian: Perhaps we could just update the registry for the URMs, instead of updating the entire registry. We can strike the non-contributing structures and just look at the rest. We need to consult the City Attorney about what benefits we can legally provide to folks who are on the HRI that aren't historically listed.

Jen: Many schools are historically significant and many community members believe they are a place they will go to for shelter. We want them to last and be used afterwards so it would be fantastic if there were incentives that would push the number of nominations. The public wants schools to be safe and when they realize life-safety means they won't survive the quake they are disappointed.

Peggy: What incentives work for schools? They don't pay taxes either.

Jen: The Seismic Rehabilitation Grant Program is working, and the amount of money is going up.

Tom: I don't think we should have a goal of getting on the national register. The non-historic buildings should get the same benefits.

Peggy: If there is not enough to go around, then the most historic buildings, those on the National Register, should get priority. The ones that tell the story of place are the ones we want to keep.

Brian: We need to accept that some buildings are going to get torn down.

Sean: When I think about priorities, I think, which are going to have the hardest time to have market opportunities. So, a beautiful historic building may have market opportunity that another non-historic non-profit service building may not have.

Walt: I think cost benefit analysis (CBA) can serve us in this regard and also can demonstrate public benefit.

Sean: We keep thinking that we're going to catch up on the housing market, but with immigration, perhaps we are not. Even if what you're doing is just forcing people out of mid-market apartments, you're adding pressure to the rental market. Perhaps in 15 years we will be in a better place. Perhaps we can set some triggers depending on where the market is in 15 years, whether we have "caught up."

Javier: I think this is where the policies come in, where we need to show the CBA.

There was a short discussion of insurance. Shelly summarized: we found that a portfolio of less than \$50-100 million, it doesn't make sense because the costs are too high. Lenders are not requiring it because its cost prohibitive. Deductibles are too high. Insurance companies are also very exposed, they could not cover a big event. In California, the state provides the insurance.

Walt: I suggest we consider a statewide pool.