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Summary Minutes

Jul 14, 2016 Policy Committee Meeting

Unreinforced Masonry Building Proposed Mandatory Retrofits

3 - 5 PM | Portland Housing Bureau

Committee members present: Ken Rust, Dennis Anderson, Tom Carrollo, Tom Sjostrom, Reid Zimmerman, Jen Sohm, Matt Illias, Walt McMonies, Brian Emerick, Margaret Mahoney

Staff: Amit Kumar, Jonna Papaefthimiou

Visitors: Erica Hiller, Pamela Pelett, Nicole Comer, Vik Savara, Tom Dyke, Spencer Straub, Mike Haggerty.

Welcome and Introductions

Carmen Merlo welcomes everyone. She notes this is the last scheduled meeting but the group will need to set another date in the fall after the public meetings.

Tom Carrollo notes he was not present at the last meeting; minutes to be corrected.

There is an error in the minutes and one sentence ends abruptly; minutes to be corrected.

Margaret Mahoney arrives and assumes chairing the meeting.

Carmen introduces topic of enforcement. Amit explains that a building owner can appeal if they believe that the URM is incorrectly classified. They can prove it is demolished easily, or can show that it has been upgraded or is not a URM. Amit says the recommendations in the draft report are a conversation starter – the idea is tiered penalties that move people to compliance:

Step 1: \$500/month for non-evaluation up to \$6,000; no permits after a year if it's still non-compliant

Step 2: \$2,000/ month to \$12,000 month. No permits. Post sign. Notify tenants building is potentially unsafe and out of compliance of City ordinance.

Step 3: \$5,000/month to \$60,000 and notification of building tenants and signage as above.

Margaret asks whether the City collects fines successfully on other issues; whether the City can lien the property for unpaid fines; and whether they can revoke the certificate of occupancy.

Amit says the structure to place liens is in place; collecting them has been problematic. The rules are on the books.

Walt says that the penalties should be a stair step, not a cliff.

Walk suggests that it start at a lower amount and move up.

Brian suggests that if the owner applies for permits and shows a good faith effort to move it forward, but perhaps also scaling up the project (which may make sense but take longer) then there is an opportunity to waive fines.

Tom says that when a lien is recorded against the title, a lender could move to foreclosure, so that should come at the end; can't borrow when your building is in foreclosure.

Tom says the \$500/month fee is still high to start. Perhaps \$100/month then moving up to \$500. He says many owners may forget about it until they get a non-compliance notice and then it may take months to get the assessment.

Margaret notes there is general agreement to start the fines low, and step them up slowly at first.

Amit says these fees come from the City of Seattle.

Dennis says that the process must also consider the capacity of the professional community

Margaret states that there is agreement not only to move up slowly but also to stop accruing fines when the owner demonstrates that they are working to comply, e.g. show they have contracted for an engineering review, but aren't able to have it yet.

Brian asks about the penalties other than the fines, and there is general agreement that they are acceptable.

Brian notes that \$100/month may be a noticeable amount for a small family business, but nothing to a huge office building with many tenants.

Margaret asks what others think about tying fees to building value. There is general agreement that this makes sense. The issue of public buildings is a question. Margaret suggests consulting the City attorney.

Tom Carrollo says, we've been talking carrots and sticks. Right now we're on sticks. But we don't have many carrots. So, can we make the stick proportionate to the carrot? Tom says it is unfair not to. He asks Carmen how this could happen.

Carmen says that so far this has not been considered.

Tom Carrollo says this is too much of a burden without public support, and it was always the intention of the committee to link them.

Walt suggests an extension of time for performance of the retrofit requirements if the tax credits and other incentives identified do not move forward.

Brian points to page 4 of the report and notes a place where it could state that without the incentives identified there, the rules might need to be revisited.

Jen asks what happens to the fines paid, are they used to support the program?

Ken clarifies that fines go to BDS if BDS collects them, the situation changes if the building goes to foreclosure (there are costs to this process).

Jen disagrees that the majority of owners will upgrade their buildings within established timelines. She feels this may not happen. Margaret says that the report ought to read “It is to be hoped that they will...”

Brian states that it seems inconsistent that the fines in step 2 only accrue for 6 months and the others for a year.

Review of Report

There is agreement to include organizations but not titles in the credits.

There is a discussion of “URMs by the Numbers” sections.

Brian asks for information about how the projects are progressing, whether they are accelerating.

The types of buildings by use should be shown graphically.

Brian suggests the report also show details of where in the city URM buildings are being upgraded and demolished in the last few years; to show whether some neighborhoods are viable and others not, and what the trends are.

Tom Sjoström suggests that there should be a narrative related to gentrification, and asks whether the committee will revisit their recommendations in the light of that. He expresses that the information seems out of place.

Margaret says that Tom raises some good concerns; the issue will be of interest to the City Council but it doesn't fit into the report as written. She suggests that we confer with BPS

Ken suggests that the issue is complex and it is appropriate to acknowledge the issue and that we've thought about it and that ask that others with more expertise bring their analysis forward to Council.

Jen states that schools are dependent to voter-approved bonds, and that schools see the gentrification occurring.

Carmen suggests that the committee recommend that BPS provide input to Council on these potential impacts.

Jen notes that historic districts also require some investment from residents and that for that reason higher-income neighborhoods are more likely to be so designated.

Jen says that the URM database is confusing and that it should clearly state somewhere that everything in the database has at least 1 URM wall (might be other building types).

Margaret suggests that it's worth stating that buildings may have many different construction types, some URM, some ductile concrete.

The technical committee agreed that one URM wall trigger the full upgrade, but several committee members recalled that this was not unanimous. There is agreement to revisit the issue with the retrofit standards committee.

Suggestion to include an engineering definition of URM in the terms on page 15.

Carmen asks whether there is appetite to revisit the tenant notification and buyer notification recommendations made earlier. There is not.

Carmen asks whether the standards table can be simplified. Engineers feel it cannot be.

There is agreement that allowing 5 years for assessment of Class 3 and Class 4 buildings is OK.

Walt raises the concern that the affordable housing provisions put vulnerable people more at risk.

Margaret suggests that we ask Housing to bring forward their proposal at the same time as ours.

Jen raises the issue of permit processing; any support for fee waivers? Amit says that there is a provision for 50% fee reduction of fees over \$2,500 and no fees under \$2,500. Tom asks if other bureaus will waive their fees? Amit clarifies that it was waiving the “piling on” of other requirements such as ADA or storm water requirements. The report should include all development-related fees, not just stormwater and sewer.

Margaret notes that a table of recommendations will be helpful.

Carmen notes that the bureau has submitted legislative agenda requests for the items identified in the report.

Carmen walks through more of the report; no concerns are expressed.

Margaret suggests adding the discussion of placarding to the enforcement section as well; agreement.

Carmen draws attention to the next steps on page 32.

Tom Sjoström asks about the last recommendation, that soft-story buildings and non-ductile buildings should be reviewed next; he does not recall the recommendation. He says that there are a number of things that can go wrong in an earthquake and says that the cycle is endless. Carmen clarifies that this came from the technical standards committee. Amit says that while each building has unique needs, the issue is classes of buildings known to be dangerous.

Tom Carrollo says that groups that may not have an interest in this issue, but when they see themselves in the sights next, they would oppose all the recommendations.

Brian says the language could be softened to “consider” rather than “direct.”

Margaret says that the recommendation could appear but in a different section, e.g. a heading that says “For Future Study.”

Carmen reiterates that the document is open and PBEM will accept comments through the second public meeting.

September 8 is at the Exchange Ballroom, September 23 at the PDC.

Carmen asks about the last policy committee meeting, and says she will send a Doodle poll to choose the time for the last meeting.

Preview of URM Video

Felicia introduces a rough cut of the URM video. The group watches the video. Response is positive; it is interesting and well-produced.

There is a brief discussion of whether to show identifiable information about businesses; businesses owners in general prefer that the report and video do not.

There is support to show a school that is being retrofitted.

Tom Carrollo has two more comments: ASTM released their seismic risk assessment guidelines this weekend, and that folks might want to review it. And, also there was an article in *Willamette Week* about sprinklers requirements; the City required sprinklers and in the end the requirements were found to be not legal because the State Building Codes Division were not appropriately involved. Amit says that the State Buildings Codes declined to be involved in the technical committee, but has been informed of the process.

Brian Emerick says that speaking of thorny issues, the issue of party walls may come up in the future. Margaret agrees but says that rather than make a policy, it will need to be addressed on a case-by-case issue.

Jen thanks Carmen for her presentation to the School Bund Fund meeting. Jen said the presentation was timely and well-received.

Public Comment

Margaret asks for public comment.

Ken commended the group for doing the work; he is a member of City Club working on a research committee focused on seismic resilience.

Nicole thanks the group for their civility, then asks for information about historic structures; she asks how a building on the national register will be treated if it doesn't get a tax benefit anymore. Brian says that the building would still be considered a local landmark and eligible for benefits. And Walt adds that the building would be eligible for the historic tax credit for improvements made, even if it's not currently receiving a tax abatement.

Vic says he is concerned that there are exceptions to so many of the criteria. That this takes away from fairness. He also felt the penalties were harsh and also that they should be stepped based on building value. He also says that the Fire penalties for non-compliance are better to be reviewed. He agrees that "there is a lot of stick and no carrot" in the document. He asks that BDS allow a building to be demolished and re-built in the same way, even if the building is non-conforming, because demolition would be a better option for some of them. Finally, Vic also asks how the group will publicize the public meeting to all the URM owners.

Carmen says that the City will send the meeting notice to all URM owners.

Another member of the public says that the big owners will come and buy out all the little guys. She agrees that no building owner wants to see anyone hurt in their building. She'd like to see the costs and benefits to regular building owners, not the big guys.

There is no further public comment.

Carmen reiterates that she is open for comments on the report, and requests additional comments on the report in the next two weeks.

The meeting is adjourned at 4:44.