



MULTNOMAH COUNTY AGENDA PLACEMENT REQUEST

(Revised: 6/9/2014)

Board Clerk Use Only

Meeting Date: 12/1/16
Agenda Item #: R.8
Est. Start Time: 11:05 am approx
Date Submitted: 11/23/16

Agenda Title: Resolution Establishing a Commercial Property Assessed Seismic Rehabilitation Program in Multnomah County.

Requested Meeting Date: December 1st, 2016 **Time Needed:** 15 minutes
Department: Non-Departmental **Division:** Office of Sust
Contact(s): John Wasiutynski, Director Office of Sustainability
Phone: 503-988-3193 **Ext.** X83193 **I/O Address:** 503/6th Floor

Presenter Name(s) & Title(s): Sam Baraso, Program Specialist Senior (Office of Sustainability)

General Information

1. What action are you requesting from the Board?

Adopt a resolution establishing a Commercial Property Assessed Seismic Rehabilitation Program in Multnomah County to be operated within the PropertyFit program.

2. Please provide sufficient background information for the Board and the public to understand this issue. Please note which Program Offer this action affects and how it impacts the results.

Commercial Property Assessed Seismic Rehabilitation leverages the same financing mechanism within the CPACE (Commercial Property Assessed Clean Energy, now PropertyFit) program that was authorized by the Board in September 2015. Commercial Property Assessed Seismic Rehabilitation was authorized by the Oregon legislature in 2015 to support the financing of seismic resiliency upgrades to commercial buildings using a property tax lien.

There are 1,661 unreinforced masonry buildings (URM) within the boundaries of the City of Portland (with greater numbers assumed across Multnomah County). Of these, 35% are listed as historic buildings. URM buildings define the character of many of our neighborhoods and business districts. The most likely major earthquake to impact Multnomah County is a large magnitude earthquake on the Cascadia Subduction Zone (CSZ). The probability of a M9.0 earthquake on the CSZ in the next 50 years is about 12% to 18%. While the Portland City Council is anticipated to consider a mandatory seismic retrofit policy by the end of this year, such policies do pose financial challenges for building

owners. A property assessed seismic rehabilitation program can provide a necessary credit enhancement for privately financed seismic retrofits.

By leveraging the security of the property tax system to support capital providers, the County can incentivize and accelerate the retrofit of commercial buildings for seismic resiliency. The property assessment structure allows the repayment obligation for seismic rehabilitation financing to remain with the building through ownership change. Financing for seismic rehabilitation dovetails well with the existing PropertyFit program's focus on energy efficiency and renewable energy, complimenting these to create a complete building resiliency program. As building owners evaluate opportunities to engage in deep energy retrofits, seismic rehabilitation becomes more feasible. Expanding the PropertyFit program to include seismic rehabilitation financing increases the feasibility of early retrofits. This financing mechanism may catalyze seismic retrofits earlier than would happen otherwise.

This is not only critical for the safety of the County's residents, but also the County's tax base. When the ground shakes, URM buildings pose a major risk for death or injury, property damage, and loss of economic use.

Just as we've refined the PropertyFit program over the past year to support the financing of energy efficiency and renewable energy improvements, we will test and refine program design elements necessary to support ongoing seismic rehabilitation financing in Multnomah County. This supports the County's Draft Multi-Jurisdictional Natural Hazard Mitigation Plan (as well as the adopted 2012 Multnomah County Natural Hazard Mitigation Plan).

3. Explain the fiscal impact (current year and ongoing).

There is no fiscal impact. The Portland Development Commission is administering PropertyFit program both during the pilot period and through on-going implementation through transaction fees paid by building owners. All of the County's responsibilities fall under the County's normal course of business. The Board of Commissioners must consent to enforce any PropertyFit Benefit Assessment Lien.

4. Explain any legal and/or policy issues involved.

The Multnomah County Board adopted Resolution No. 2012-090, directing implementation of the 2012 Natural Hazard Mitigation Plan. The plan describes mitigation projects which, when carried out, will lessen the chance for damage or destruction due to a natural disaster or emergency. It included a number of short-term actions to be completed by Multnomah County including the creation of mechanisms and incentives for building retrofit, including grants and tax incentives.

5. Explain any citizen and/or other government participation that has or will take place.

The Office of Sustainability convenes a 5 person advisory group representing contractors, building owners, capital providers, and energy professionals on a bi-monthly basis to provide feedback on program development. We have similarly convened representatives of minority and woman-owned contracting enterprises throughout the development of PropertyFit to provide feedback relevant to contractor participation.

Required Signature

**Elected
Official or
Department**

Director: John Wasiutynski

Date: 11/23/16