

Jomsky, Mark

Subject: FW: Soft Story retrofit.

On Feb 23, 2019, at 5:59 PM, John Gordon <johnpgordon@earthlink.net> wrote:

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please forward to Andy

Item 15 on Monday's agenda is to direct the city attorney to write an ordinance requiring the retrofitting of soft story residential buildings.

An apartment building we own has a soft story. We voluntarily retrofitted it in 2006 at a cost of \$50,000.. Our plans were prep by a licensed structural engineer. They were approved by the building department. Our contractor pulled a permit, did the work. had the work inspected by the and got final approval.

My request is that the Council instruct the city attorney to exempt buildings retrofitted with city approval in the last 15 years.

Thank you

John Gordon

Subject:

FW: City Council Meeting - Agenda Item #15 Seismic Retrofit

From: Janet Gagnon <janet@aagla.org>
Date: February 25, 2019 at 9:37:17 AM PST
To: "ttornek@cityofpasadena.net" <ttornek@cityofpasadena.net>,
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Subject: City Council Meeting - Agenda Item #15 Seismic Retrofit

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Dear City Council members,

The Apartment Association of Greater Los Angeles represents more than 10,000 mom and pop owners throughout Los Angeles County, including many in Pasadena. Typically, our members own a single building with 10 or fewer units and use it for their retirement. Many worked their entire lives at regular jobs outside of the real estate industry in order to afford their building. They are far from the faceless absent multinational corporate owners that some people envision. Rather, they are regular folks that care about their tenants and their communities.

We understand that the seismic retrofit ordinance is to ensure the safety of tenants when an earthquake occurs. We commend the City Council for considering such an important issue. However, such seismic retrofits also are a huge financial burden for small mom and pop owners. As the staff report states, costs can vary from \$5,000 to \$15,000 per unit and \$40,000 to \$160,000 per building. This would cause serious financial strain to small owners trying to find the funds to pay for such seismic retrofits. For residential owners, defined as buildings with 4 or fewer units, this could be too expensive and force them out of business. As such, the City of Pasadena would lose some of its most affordable rental housing as these buildings are converted to new luxury buildings or condos. We appreciate the City Council recognizing this problem and excluding single family residences, duplexes and triplexes from the ordinance. However, quadplexes should also be excluded from the ordinance as well. As also stated in the staff report, the City of San Francisco already excludes 4 and fewer units from their ordinance and so too should Pasadena. All building

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with 4 units or fewer are financed as “residential” mortgages and not “commercial” mortgages. This acknowledges that such buildings have a completely different financial return and ownership that is much more akin to single family residences. As such, quadplexes should also be excluded from this ordinance.

Even for commercial buildings that are 5 units or more, this will be a significant financial strain as the funding must be done on the front end and recovered over time from rents. We appreciate that the City of Pasadena has requested a \$1.25 million grant from FEMA to help owners offset the costs of these seismic retrofits. As such, we believe it is premature for the City Council to move forward with this ordinance until they receive final notice from FEMA as to whether they will receive the requested grant. Such a grant would make a significant impact on financial planning for owners and is vital to know the outcome prior to forcing owners into a new ordinance with specific time frames for compliance that are currently attached. According to the staff report, FEMA will notify Pasadena by the Fall as to whether they will be receiving the grant. Delaying this ordinance by only a few months is not unduly burdensome and would greatly help owners with compliance. It is worth noting that there are currently only 3 cities out of 88 cities within Los Angeles County that have any seismic retrofit ordinance. Thus, we are clearly not in an immediate crisis situation that would require this ordinance to be done now. Rather, it would be more appropriate and responsible for both tenants and owners to wait the few extra months, so that financial planning can be done responsibly and with full consideration of the grant should it be provided by FEMA.

Lastly, we request that the City Council revise the ordinance, so that violations would not subject owners to criminal penalties of up to 6 months in jail. Attaching criminal penalties is an extremely heavy punishment for any breach especially one that is primarily contractual such as seismic retrofitting. The ordinance already contains heavy financial penalties of up to \$1,000 PER DAY. For small mom and pop owners these financial penalties could quickly force them into bankruptcy. Thus, it is highly likely that they will comply if at all possible. Further, this is a brand new ordinance with no track record in Pasadena as to compliance. Until and unless it is passed and there is a strong showing of non-compliance, criminal penalties are not warranted and are an extreme overreach by the City.

In closing, we urge the City Council to: 1) delay further pursuit of the ordinance until the City hears back from FEMA on its grant request, 2) include quadplex as being excluded from the ordinance and 3) remove all criminal penalties from the ordinance. We appreciate the City Council raising this issue and appreciate their desire to keep tenants safe. However, such actions should not cause undue harm to owners via financial exposure or criminal penalties.

Thank you for your consideration.

Sincerely,

Janet M. Gagnon



Janet M. Gagnon, Esq.

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