



Memorandum

TO: COMMUNITY & ECONOMIC
DEVELOPMENT COMMITTEE

FROM: Rosalynn Hughey

SUBJECT: SEE BELOW

DATE: April 8, 2019

Approved

Date

April 9, 2019

**SUBJECT: UPDATE ON COUNCIL PRIORITY #6: DEVELOPMENT OF A SOFT
STORY RETROFIT PROGRAM**

RECOMMENDATION

Accept this memorandum that provides an update on the development of a Soft Story Retrofit Program, including the status of grant funding from the California Office of Emergency Services and staff's activities relating to the retrofit program.

BACKGROUND

At the October 22, 2014 Rules Committee meeting, Mayor Sam Liccardo and councilmembers Johnny Khamis and Rose Herrera submitted a memo in remembrance of the 25th anniversary of the Loma Prieta earthquake. The memo directed staff to explore incentives for the seismic retrofit of soft story buildings in San José.

On October 23, 2017, the City Council ranked the development of a Soft Story Retrofit Program as the City's eighth highest priority.

On January 30, 2018, the Housing Department submitted a Notice of Intent to apply for grant funding from the California Office of Emergency Services (Cal OES) Hazard Mitigation Grant Program (HMGP). If awarded, this grant would fund planning and incentives for soft story retrofit construction. In March 2018, the Cal OES approved the Notice of Intent and invited the City to submit a full application. On June 19, 2018, the City Council adopted a resolution that authorized staff to submit the full grant application.

At the June 26, 2018 City Council meeting, Council accepted a staff report on potential ways to incentivize the seismic retrofit of multifamily soft story buildings in San José, and directed staff to return to the Council with the framework elements of a mandatory multifamily soft story seismic mitigation ordinance. Staff was also directed to explore possible incentives that would

provide an option for the redevelopment of soft story buildings into quality affordable apartments, while minimizing displacement.

ANALYSIS

Grant Status

On July 2, 2018, the Housing Department submitted its grant application to Cal OES, applying for \$4,687,500 and offering a 25% local match of \$1,562,500, to be funded from the City's Federal Community Development Block Grant (CDBG) Program. Together, this would provide the City with \$6,250,000 to support development and implementation of a mandatory multifamily soft story seismic retrofit program in San José.

The Cal OES Hazard Mitigation Grant Program relies on funds from the Federal Emergency Management Agency (FEMA). To date, the City has not received notification of approved funding. However, Cal OES informed staff that the City of San José is among their projects forwarded to FEMA for funding, and staff might hear from FEMA in June or July at earliest.

Meanwhile, staff have undertaken the following activities relating to a Seismic Retrofit Program.

Staff Activities for the Seismic Retrofit Program

Staff created an interdepartmental soft story working group, comprised of Department of Planning, Building, and Code Enforcement, Housing Department, Office of Emergency Management, and the City Manager's Office. In early January 2019, this group began developing concepts for a framework for a practical seismic retrofit program. The framework that staff is considering would:

- 1) Address the needs of the various stakeholders' interests;
- 2) Use industry best practices; and
- 3) Result in the most effective multifamily soft story retrofit program that allows compliance by owners.

Key elements being considered:

- **Building Inventory:** Identify soft story buildings in the City of San José based on available information and surveys. Buildings are categorized as severe, considerable, moderate, or minor, based on each structure's risk and potential impact to the area. Inventory information would be used to determine which building owners are notified.
- **Screening Evaluation:** Soft story building owners would evaluate their structure and document that the building is a) not a subject building; b) eligible for later compliance; or c) subject to permits to complete the retrofit work.

- **Compliance Tiers:** Based on the structure's risk, identified during the building inventory phase, a phased compliance schedule would be developed.
- **Redevelopment/Zoning Exceptions:** Incentives that could result in the redevelopment of soft story buildings into affordable housing might include possible zoning accommodations for property owners who perform seismic retrofit work.
- **Tenant/Rent Stabilization:** In some instances, tenants may need to be temporarily relocated during the seismic retrofit work if the work impacts their apartments. Staff will explore administrative regulations requiring owners to notify and coordinate with tenants on construction work and tenant relocation in compliance with the Tenant Protection Ordinance.
- **Parking Plan:** Many soft story buildings in the City include parking underneath apartments. In these cases, the retrofit work would likely impact access to parking for tenants. Staff will explore creating a parking plan to alleviate issues related to the temporary loss in parking.
- **Financial Assistance:** There may be rebate options to offset the retrofit costs. Staff will explore working with local banks to help building owners achieve better financing for soft story retrofits that are feasible in today's market.
- **Permit Process:** Explore resources and options to provide prompt permit processing reviews and inspections.
- **Public Outreach:** Engage with the public and stakeholders to develop and receive feedback on a draft framework for the mandatory seismic retrofit ordinance. Include property owners, tenants, the California Apartment Association, the Silicon Valley Organization, engineers, and contractors.
- **Program Material:** Develop technical bulletins, FAQs, generic design guidelines, update the City's existing soft story documents, and create an interactive soft story web map.
- **Disaster Mitigation Plan:** Support the City's Office of Emergency Management with the disaster mitigation plan preparation and strategy work needed during the soft story compliance period.

If the City is awarded the Cal OES grant, staff plans to use a portion of the funds to procure a consultant to analyze and make detailed recommendations on the key elements and to develop the most effective way to implement the mandatory seismic retrofit program. Staff is currently developing a Request for Proposals (RFP) for consultant services. This RFP seeks experts from

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engineering firms who have worked on similar local government projects in the region. Staff will complete the RFP and application process by the end of June.

Next Steps

Upon receipt of the Cal OES grant, staff will complete the RFP process and select a qualified consultant to start collecting the data needed for an inventory and to evaluate the key elements. Staff will begin discussions with stakeholders for their feedback. After the completion of a detailed framework, staff will provide an update to the City Council's Community and Economic Development Committee (CEDC) on the mandatory soft story seismic retrofit program framework, and share the description on how to best move forward with the program.

COORDINATION

This memorandum was coordinated with the City Manager's Office, the Office of Emergency Management, and the Housing Department.

/s/

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Planning, Building and Code Enforcement

For questions, please contact James Son, Acting Deputy Director, at (408) 535-7746.