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Via Electronic Mail

Hon. Mayor Tornek and Members of
the Pasadena City Council
Pasadena City Hall
100 North Garfield Avenue
Pasadena, California 91101

Re: Seismic Retrofit Program (Agenda Item 19)

Dear Hon. Mayor Tornek and Pasadena City Council:

The Apartment Association of Greater Los Angeles' (AAGLA) commends the Council for addressing seismic retrofitting to ensure the safety of residents in Pasadena. It is indisputable that ensuring that buildings are structurally sound to withstand the impact of a major earthquake and mitigate the loss of life resulting from a natural disaster is critically important.

As the City Council deliberated the drafting of the proposed ordinance, we appreciated the consideration given to the issues raised by stakeholders and the modifications that have been incorporated based on that feedback. We recognize that a Seismic Retrofit Program addresses a vital societal need; however, the associated costs would be entirely imposed upon the City's rental property owners. Equally disconcerting is the imposition of criminal penalties that would subject owners to up to six months in jail for failing to fully comply with the proposed seismic retrofit ordinance.

AAGLA represents thousands of primarily smaller, "mom and pop" rental housing providers. Many of our members are retired seniors on fixed incomes supplemented by their small investment in rental property. Some of our members are multi-generational immigrants that chose to make a small community investment as their way to house themselves and others. Our members are regular people that are providing affordable rental housing to their communities and are your constituents.

Seismic retrofitting is extremely costly. In the City's staff report, costs estimates range



from \$5,000 to \$15,000 per unit and \$40,000 to \$160,000 per building. While small rental housing providers can offset the cost over a period of time, by increasing rents, owners must still have the funds up front to pay for seismic retrofitting. Additionally, the City's recent adoption of an ordinance providing for relocation benefits will limit cost recovery as owners would be reluctant to risk payment of relocation fees, a potential additional expense. In these circumstances, new owners and those with long term renters, while forced to bear the burden of the seismic retrofit costs, could also be forced to make a lump sum payment of relocation fees in attempting to reasonably recover their substantial outlay for seismic retrofitting. We urge the City Council to address this obvious conflict that will be faced by the City's rental housing providers.

We also appreciate the Council's exclusion of buildings that have 4 or few units, however, even small owners with buildings of 5 or fewer units will experience financial hardship in paying for seismic retrofitting. AAGLA urges the Council to include financial support to small property owners to alleviate the overwhelming financial obligation associated with adoption of a mandatory seismic retrofit ordinance.

As discussed previously, a matter of equal concern is the imposition of criminal penalties of up to 6 months in jail for violations of the ordinance. Criminal penalties are extremely harsh and unwarranted relative to the nature of the offense. Moreover, the administrative fines of \$1,000 per day are more than sufficient to encourage compliance. The daily fines would quickly lead to bankruptcy proceedings for many small, "mom and pop" owners and will certainly deter non-compliance. The ordinance has not been implemented and there is no basis to support a presumption of non-compliance. City Council should limit the penalty for violations to administrative fines, unless and until, there is significant evidence of non-compliance, and should provide for an adequate "right to cure" period before imposing any fines.

We recognize and appreciate the City's goal of safety as presented during the February 25th City Council meeting, "a proactive approach to earthquake safety with the goal to protect people and minimize damage of vulnerable buildings in the event of a major earthquake." We simply ask that the financial burden not be placed solely upon owners and that the penalties for violations not result in jail time.

Thank you for your consideration of these important issues as you advance the requirements of the City's mandatory Seismic Retrofit Program. If you have any questions, please call me at (213) 384-4131; Ext. 309 or contact me via electronic mail at danielle@aagla.org.

Very truly yours,

Danielle Leidner-Peretz