



"Great Apartments Start Here!"

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Via Electronic Mail

Hon. Mayor Gleam Davis and Members of Santa Monica City Council
1685 Main Street, Room 209
Santa Monica, California 90401

Re: Hazard Mitigation Grant Program (Agenda Item 3E)

Dear Hon. Mayor Davis and Members of the Santa Monica City Council:

The purpose of this letter is to express the Apartment Association of Greater Los Angeles' (AAGLA) support of the Council's consideration of providing financial relief to property owners that incur the substantial cost of compliance with the City's mandatory Seismic Retrofit Program. While we are supportive of Council's advancement of a grant resolution to obtain up to \$6.75 million in grant program funding through the Federal Emergency Management Agency (FEMA) Hazard Mitigation Grant Program, we suggest that far more be done to alleviate the enormous cost burden of seismic retrofitting to be borne solely by the City's rental property owners.

AAGLA represents thousands of small rental housing providers. Many of our members are retired seniors that worked regular 9-5 jobs for decades, scrimping and saving to afford their small investment in rental property that secures and supplements their retirement and at the same time provides affordable housing to their neighbors. 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. They are the types of owners that the City desires all rental property owners to be, responsible, caring and reasonable.

It is indisputable that ensuring that buildings are structurally sound to withstand the impact of an earthquake and mitigate the loss of life resulting from a natural disaster is critically important. The Seismic Retrofit Program addresses a vital societal need, but the associated costs are currently entirely imposed upon the City's rental property owners. Costs of seismic retrofitting per building can range from \$50,000 to \$150,000 or more depending upon type of construction and number of parking spaces.



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We applaud the City's efforts to provide property owners with FEMA grants. However, as indicated in the City Council report submitted by the Buildings and Safety Director, only soft-story buildings identified as priority 2 (more than two stories and less than 16 units) and priority 3 (16 or more units) building types in the City's Seismic Retrofit program would be eligible for the proposed rebate program. The report noted that additional analysis must be conducted to determine if smaller priority 5 (soft-story, 7-15 units) and priority 6 (soft-stories, less than 7 units) can meet FEMA grant funding eligibility. Additionally, the report indicated that there may be opportunities for funding through a different federal disaster declaration and the opportunity to request additional funding for other building types subject to the City's seismic retrofit program.

We appreciate the Council's efforts in applying for a FEMA grant and establishing a rebate program that would potentially provide eligible property owners with design rebates of up to \$5,000 or 75% of the design cost, whichever is less, and construction rebates of up to \$17,000 or 40% of construction costs, whichever is less. Small property owners, those with priority 5 or 6 properties, however, would not be eligible for the program and will be financially burdened by the costs associated with the City's seismic retrofit program. We ask that the Council continue to explore multiple avenues to provide property owners with financial assistance and relief in achieving compliance with the seismic retrofit program, including other grant programs or loans.

AAGLA also urges Council to revisit allowing property owners to pass-through and share a portion of these seismic retrofitting costs with renters, which is permissible in surrounding cities such as Los Angeles and Pasadena. We also encourage the City to finance or find ways to finance low cost loans for property owners that do not have the resources to pay for seismic retrofitting of their buildings.

Thank you for your consideration of our suggestions and recommendations for ways to provide property owners with much needed financial relief in meeting 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 electronic mail at danielle@aagla.org.

Very truly yours,

Danielle Leidner-Peretz