

Soft Story Retrofit Program - City Incentives Study - Summary of Findings

Degenkolb Engineers conducted a study on City provided Incentives as part of Wood Soft Story Retrofit Programs in July and August of 2022. The study included determining which cities have mandatory/voluntary Soft Story Retrofit Programs in place or in development, contacting the building department representatives by phone or email, and asking them which incentives were considered and/or implemented. The following is a summary of our findings:

Soft Story - City Incentives Study Summary



| City | Plan Check Fees / Permit Fees | Property Tax Reductions | Loan Programs | Zoning (Waivers) | Rent Control Modifications | Grants |
|----------------|-------------------------------|-------------------------|----------------|------------------|----------------------------|------------------------------|
| Los Angeles | Not Considered | Not Considered | Implemented | Implemented | Implemented | Not Considered |
| Santa Monica | Not Considered | Not Considered | Not Considered | Not Considered | Not Considered | Not Considered |
| West Hollywood | Considered / Not Implemented | Not Considered | Implemented | Not Considered | Not Considered | Implemented |
| Beverly Hills | Implemented | Not Considered | Not Considered | Not Considered | Not Considered | Considered / Not Implemented |
| Pasadena | Implemented | Not Considered | Not Considered | Not Considered | Not Considered | Considered / Not Implemented |
| Alameda | Implemented | Not Considered | Not Considered | Implemented | Not Considered | Implemented |
| Berkeley | Not Considered | Implemented | Implemented | Not Considered | Not Considered | Implemented |
| Fremont | Implemented | Not Considered | Not Considered | Not Considered | Not Considered | Not Considered |
| Oakland | Not Considered | Not Considered | Not Considered | Not Considered | Not Considered | Implemented |

Not Considered
 Considered / Not Implemented
 Implemented

*Attempts to include other cities (like San Francisco) were made, but responses were not provided.

10/4/2022

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- Plan Check/Permit Fees:
 - Pasadena – Waives the construction tax portion of the Permit Fee, 1.5% of the valuation (Refer to [PMC 4.32](https://www.cityofpasadena.net/planning/wp-content/uploads/sites/30/Adopted-Ordinance-No-7345-%E2%80%93-Soft-Story-Retrofits.pdf?v=1660684734991), (<https://www.cityofpasadena.net/planning/wp-content/uploads/sites/30/Adopted-Ordinance-No-7345-%E2%80%93-Soft-Story-Retrofits.pdf?v=1660684734991>))
 - Beverly Hills
 - Construction Completed in 18 months – 100% Refund Permit Fees
 - Construction Completed in 24 months – 50% Refund Permit Fees
 - <https://www.beverlyhills.org/departments/communitydevelopment/development/services/seismicretrofitprogram/?NFR=1Alameda – Refund for Permits issued 18 months prior to date of service of order>
 - Alameda – Refund for Permits issued 18 months prior to date of service on notice.
 - Fremont
 - Permit Fee refunded for project completed in ordinance timeframe
 - Plan Check Fee refunded where review is limited to three cycles
 - West Hollywood – Considered but not implemented.
- Property Tax Reductions

- Berkeley
 - 1/3 refund of real estate transfer tax if application is submitted within 1 year after sale of property
 - <https://berkeleyca.gov/construction-development/seismic-safety/funding-seismic-retrofits/transfer-tax-refunds-seismic-work>
- Loan Programs
 - Los Angeles – California Capital Access Program (CalCAP)
 - Assists small business and residential property owners with financing.
 - <https://www.treasurer.ca.gov/cpcf/calcap/seismic/summary.asp>
 - West Hollywood & Berkeley – PACE Program
 - City creates financing district or similar legal mechanism
 - Property owners voluntarily sign up for financing
 - The lender provides funds to the property owner
 - Property owner repays bond through property tax bill (up to 20 years)
 - <https://berkeleyca.gov/construction-development/seismic-safety/funding-seismic-retrofits>
 - Alameda – Rental Rehabilitation Program
 - Low and Moderate Income buildings
 - <https://www.alamedaca.gov/Departments/Community-Development/Community-Housing-Resources>
- Zoning Waivers / Rent Control Modifications
 - Los Angeles
 - Allows for Parking Waivers (LABC 12.21a.4.m(3))
 - HCD allowed Rent Increases (<https://ladbs.org/services/core-services/plan-check-permit/plan-check-permit-special-assistance/mandatory-retrofit-programs/soft-story-retrofit-program>)
 - Alameda – Allows owner to convert parking to additional units.
- Grant Programs / Design Rebates / Engineering Subsidies
 - West Hollywood - FEMA Grant Awarded: \$10 Million (<https://retrofit-grant.weho.org/>)
 - 25% of Funds provided by City
 - Allows owners to apply for funds for:
 - Engineering/Permit (Soft Costs)
 - Construction (Hard Costs)
 - Not Retroactive

- Oakland – Grants Awarded
 - \$7.9 Million (FEMA)
 - \$2.6 Million (non-federal sources)
 - <https://www.fema.gov/es/news-release/20200220/seismic-grants-apartments-and-multi-family-homes-will-save-lives-and-help>
- Berkeley – Grant Program funding from FEMA and CAL OES
(<https://berkeleyca.gov/construction-development/seismic-safety/funding-seismic-retrofits/retrofit-grants>)
- Alameda – Soft Story Structural Assessment Grant
 - Residential Rehabilitation Programs – Low and moderate income buildings
 - Up to \$5000 for Engineering Assessment
 - <https://www.alamedaca.gov/Departments/Community-Development/Community-Housing-Resources>
- Beverly Hills and Pasadena – Applied, but were unable to secure funding.