Staff Report Details (With Text)

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Title:	CC - (1) Presentation Regarding a Draft Soft-Story Seismic Retrofit Ordinance; (2) Discussion of the Scope, Prioritization, Timeframe, and Implementation of the Draft Soft-Story Seismic Retrofit Ordinance; (3) Direction on Tenant Impact Mitigation Plan (TIMP), Pass Through, and Financial Incentives; and (4) Direction to the City Manager as Deemed Appropriate.				
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Date	Ver.	Action By	Action	Result

CC - (1) Presentation Regarding a Draft Soft-Story Seismic Retrofit Ordinance; (2) Discussion of the Scope, Prioritization, Timeframe, and Implementation of the Draft Soft-Story Seismic Retrofit Ordinance; (3) Direction on Tenant Impact Mitigation Plan (TIMP), Pass Through, and Financial Incentives; and (4) Direction to the City Manager as Deemed Appropriate.

Meeting Date: June 28, 2021

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Fiscal Impact: Yes [X] No [] **General Fund:** Yes [X] No []

Public Hearing: [] **Action Item:** [] **Attachments:** Yes [X] No []

Commission Action Required: Yes [] No [X]

Public Notification: (E-Mail) Meetings and Agendas - City Council (06/23/2021)

Department Approval: Sol Blumenfeld, Community Development Director (06/17/2021)

RECOMMENDATION

Staff recommends the City Council (1) receive a presentation regarding a draft Soft Story Seismic Retrofit Ordinance; (2) discuss the scope, prioritization, timeframe, and implementation of the draft soft-story seismic retrofit ordinance; (3) provide direction on the Tenant Impact Mitigation Plan (TIMP), Pass Through, and Financial Incentives, and (4) provide other direction to the City Manager as deemed appropriate.

BACKGROUND

Staff is seeking direction regarding the scope, prioritization, and timeframe to implement a Soft-Story Seismic Retrofit Ordinance in the City of Culver City. The City Council previously directed staff to conduct a study and prepare a citywide survey of potential Soft Story buildings and to report on the survey findings.[1] The City selected Degenkolb Engineers to carry out the project which included two work phases: 1) Citywide survey of Soft Story buildings; and 2) Conducting related public outreach and production of a draft ordinance. The findings were presented to City Council and staff received further direction to complete Phase 2 of the project.

Summary

The Northridge earthquake was one of the greatest economic natural disasters in American history, with losses estimated to exceed $25 billion dollars. In comparing the levels of seismic hazards as defined by the California Building Code, the City of Culver City is near that level of Northridge's seismic hazards. A primary focus of Soft Story seismic strengthening is to reduce the potential risk of loss of life, injuries, property damage, and economic and social dislocation resulting from earthquakes.[2]

Current building codes require new buildings to adhere to the most current building standards; however, the Code does not require existing buildings to be upgraded unless the building is undergoing major alterations. As such, many city jurisdictions in California are now implementing mandatory seismic ordinances to reduce the risk of these existing buildings.[3] To minimize seismic risk, the City may be proactive in developing a program to identify, evaluate, and upgrade Soft Story wood buildings.

DISCUSSION

Culver City's survey identifies approximately 400 multi-family buildings potentially categorized as having a soft-story deficiency. The proposed ordinance would improve public safety by requiring structural retrofit thereby reducing the risk of collapse and subsequent death or injury in an earthquake. The ordinance would also protect the public welfare by reducing the loss of wood frame apartment buildings which are currently the city's most affordable housing stock. Approximately 80% of the of the identified buildings were constructed prior to the development of stricter building code standards in 1978.

The process to implement a City retrofit program for vulnerable buildings typically involves a citywide building survey to assess the extent of unsafe buildings, preparation and adoption of a draft Ordinance to abate the unsafe conditions, stakeholder review of the draft ordinance, technical review of the draft ordinance, general public outreach and preparation of an Ordinance implementation

schedule. To date, the City has completed the citywide Soft Story survey, conducted technical and stakeholders' reviews and related general public outreach, and prepared a draft ordinance with implementation schedule for City Council consideration as summarized below.

Requirements to Retrofit Existing Soft-Story Buildings

Retrofitting a Soft Story building generally does not require major structural changes. Retrofit of a soft-story weakness involves the addition of lateral stiffness and strengthening on the soft level (ground floor parking level). Examples of strengthening measures include the addition of shear walls, steel moment frames, and anchoring walls to the foundation. Most retrofits will be accomplished with the addition of steel moment frames at the perimeter of the opening(s). The retrofit would typically not extend to any stories above the ground floor or require any work on the interior of the building. Such retrofits would typically not require relocation of tenants or demolition of existing structures and is not expected to reduce the amount of first floor parking area (except for minor encroachment into parking areas due to the larger column size) or significantly change the exterior of the building.

The technical requirements of the draft Ordinance are based on the latest State building codes and national standards developed by the American Society of Civil Engineers (ASCE). The technical standards required are similar as those required by the cities of Los Angeles, Santa Monica, and West Hollywood. Designated historical buildings would be required to comply with the proposed ordinance. However, the ordinance allows owners to follow the standards provided in the latest edition of the California Historical Building Code in order to preserve their historic character. Currently, the preliminary survey identifies one building that has been designated as historic.

Process for Property Owner Notification and Compliance Timeline

Upon adoption, the Building Official would issue a notice and order to comply with the Ordinance to each potentially impacted property owner. The draft Ordinance provides a specific time limit for building owner compliance with the following milestones:

(1) Submittal of a Screening Form to the City verifying whether their building has structural vulnerabilities,
(2) Submittal of building plans to the City for review,
(3) Obtaining building permits to begin the work,
(4) Commencement of construction by calling for the first building inspection, and
(5) Completion of the construction and receipt of final City approval.

The draft Ordinance recommends a timeframe of five years from notification to complete the retrofit. This is a more aggressive timeline than several bigger neighboring cities such as Los Angeles and Santa Monica (see Table A below) but aligned with the City of West Hollywood, a city of similar size. In reviewing similarly sized projects in the City of Los Angeles, staff believes the timeline of five years is reasonable and possible based on the typical duration of this type of retrofit project (installation of steel frames, cantilever column, and/or shear walls) can be completed in several months.

Required Action by Owner	Submit Screening Report	Submit Retrofit Plans	Obtain Permit	Commence Construction	Complete Construction	Total Time
Milestone	1 year from notice to the Owner	2 years from notice to the Owner	3 years from notice to the Owner	4 years from notice to the Owner	5 years from notice to the Owner	5 years from notice to the Owner

Jurisdiction	Submit Engineering Report	Submit Retrofit Plans	Obtain Building Permit	Commence Construction	Complete Construction	Total Time
Los Angeles	N/A	1 Year after receiving Order to Comply	2 Years after receiving Order to Comply	N/A	7 Years after obtaining Retrofit Permit	7 Years
Santa Monica	2 Years from Date of Service of Order	3 Years from Date of Service of Order	3 Years from Date of Service of Order	N/A	6 Years from Date of Service of Order	6 Years
West Hollywood	1 Year from Notice to Owner	2 Years from Notice to Owner	4 Years from Notice to Owner	4 Years from Notice to Owner	5 Years from Notice to Owner	5 Years
Minimum	180 Days from Notice to Owner	1 Year from Notice to Owner	1.5 Years from Notice to Owner	2 Years from Notice to Owner	2.5 Years from Notice to Owner	2.5 Years

Prioritization

The draft Ordinance contemplates prioritization to stagger the retrofit work for impacted properties. The soft-weak story buildings have been categorized into three priorities with the goal of requiring those buildings with larger occupancies (based on number of units) and a greater number of stories to be strengthened first to address the greatest risks to life safety.

The staggered prioritization also has the strategic goal of spreading out the workload of plan review and permitting to make Ordinance implementation manageable. The building data collected from the survey was analyzed which resulted in the priority designations as shown below:

TABLE B - PRIORITY DESIGNATION		
Priority	Description	Number of Identified Buildings
Priority I	Buildings with More than 12 Units or 3 Stories w/ more than 6 Units.	75
Priority II	Buildings with 5-12 Units	129
Priority III	Buildings with 2-4 Units	189

Appeals of the Notice and Order to Comply

The draft Ordinance includes provisions for providing time frame extensions due to unforeseen or unusual circumstances. This draft language would give a building owner(s) a time frame extension only after a screening report/engineering report has been provided and retrofit plans have been approved. The building owner(s) would then need to submit an application and provide an alternate time-line schedule and work plan to be reviewed by the Building Official on a case-by-case basis. This is intended to ensure that the property owner(s) is making efforts to retrofit their building while at the same time taking into consideration those that may have special circumstances and require additional time to comply with the ordinance.

Retrofit Cost

The exact cost of retrofitting a specific building will not be known until a structural engineer has completed an assessment report and construction bids to complete the work have been obtained. Many of the soft-story buildings are typically strengthened utilizing steel moment frames. It was determined that the cost of a single moment frame is estimated to be between $33,000 - $47,000 with an average cost of $40,000. Most buildings sampled are expected to require between 1 to 4 retrofit moment frames with a few requiring up to 5 frames. Degenkolb estimates the cost to retrofit most buildings will fall between $40,000 to $160,000, with an average cost of approximately $80,000 per individual building. City-wide, approximate city-wide cost to retrofit the 393 buildings constructed prior to 1978 is $31.5M. All retrofit costs are expected to be carried out by the owners of the affected properties.

Some community members have requested that the city assists in some of the cost by waiving the plan check and permitting fees. The purpose of plan check and permit fees is for the city to recover the cost of providing that service. Staff estimates plan check and permitting fees to be approximately five to ten percent of the declared construction valuation cost. On the low end, the total fees for reviewing and inspecting the retrofit of 393 soft-story buildings is therefore estimated to be $1.5 million dollars. Based on staff research, most neighboring cities require the payment of plan check and permitting fees to recover the cost for providing timely plan review and inspection. Given the amount of work, it is anticipated that plan review work will be performed by contract consultants and therefore staff is recommending that plan check and permitting fees not be waived

Retrofit Cost Recovery for Rent Controlled Units

The cities of Los Angeles, Santa Monica, and West Hollywood have rent stabilization ordinances that apply to buildings required to be retrofitted. Each of these cities allows or is considering allowing the housing providers to pass through a portion of the retrofitting costs to tenants (see Table C below). The preliminary survey identified approximately 400 soft-story buildings requiring retrofit. The topic of

passing through capital improvement costs to tenants is addressed in the City's recently adopted Rent Control Ordinance; specifically, Culver City Municipal Code (CCMC) Section 15.09.225, which allows an owner to submit a Pass-Through Cost Recovery Application and request 50% of the cost of eligible capital improvement projects to be passed-through to tenants, amortized over the useful life of the improvement, with an aggregate cap of the pass through costs not to exceed 3% of tenant's rent. Such pass-through cost recovery is subject to approval of an owner's application. It should also be noted, the Pass-Through Cost Recovery provisions of the Rent Control Ordinance also require procedures for a low-income tenant to file a request for a hardship waiver of the pass-through cost.

Since a majority of the buildings identified as vulnerable contain six or fewer dwelling units, the cost of retrofit is disproportionately borne by this type of building and may present some degree of financial difficulty for smaller ("Mom and Pop") rental income properties based on the typical rental revenue stream associated with small rental properties, particularly those which are subject to the City's recent rent cap. As a result, if the City Council determines to move forward with considering the implementation of a soft-story retrofit program, it may want to also consider whether to allow property owners to pass through a larger portion of the retrofit costs to tenants over some amortized period. Such a modification to the allowable pass-through for retrofit costs would require an amendment to the Rent Control Ordinance.

Table C- Pass-through Costs by Neighboring Jurisdictions

Jurisdiction	Retrofit Cost Sharing by Tenants
Los Angeles	50% of retrofit costs pass-through to tenants with a maximum of $38/month for a period not exceeding 10 years
Santa Monica	50% of retrofit allowed in 1995, but eliminated in 2014 by Rent Control Board
West Hollywood	Under consideration
Beverly Hills	Allowed for Chapter 5 tenants Not allowed for Chapter 6 tenants

Tenant Impacts

Construction involving the retrofit of soft-story buildings is typically limited to the ground floor parking area. The impacts to existing tenants include unavailability of parking during construction working hours, dust, and noise. Property owners undertaking construction work must take steps to ensure that tenants can safely remain in place during construction or provide temporary relocation to tenants when the work makes the rental unit untenantable, as defined by California Civil Code Section 1941.1, and in accordance with the City's recently adopted Tenant Protection Ordinance; specifically, CCMC Section 15.09.330. Further, the draft soft-story seismic retrofit Ordinance would require the development of a Tenant Impact Mitigation Plan (TIMP) in order to verify an owner's compliance with CCMC Section 15.09.330 and Civil Code Section 1941.1. If, upon review of the TIMP, it is determined by the Housing Division that work required for retrofit affects the tenant ability of any building or residential unit, the owner may be required to pay relocation benefits pursuant to the CCMC. However, the mere undertaking and completion of work performed by the owner may not necessarily result in any building or residential unit being deemed untenantable or uninhabitable as defined in California Civil Code Section 1941.1 or CCMC Section 15.09.330. Upon adoption of the draft ordinance, the Community Development Department, Housing Division, would

be tasked with administering the TIMP to ensure compliance with the Culver City Tenant Protections Ordinance.

Financial Assistance

At City Council direction, Staff researched the possible funding options to assist property owners with the retrofit of their buildings. After contacting other cities that are developing seismic retrofit programs and reviewing a report from the City of Los Angeles, it was concluded that there are very limited resources available at this time on both the state and federal level with regard to financing seismic upgrades. Currently the City of San Francisco, Berkeley, City of Los Angeles, and Santa Monica have opted into Property Assessed Clean Energy (PACE) programs which provide seismic retrofit financing to property owners. Most recently, in August of 2016, the City of West Hollywood made PACE financing available. PACE financing allows participating property owner to repay the cost of retrofit improvements through an assessment levied against their properties which is payable on property tax bills. A lien is filed against the property as security until the assessment is repaid. The assessment remains with the property until the assessment is repaid. As a participant in the JPA (Joint Power Authority), the city would not be obligated to repay the bonds issued by the Authority or collect or pay the assessments levied on the participating properties. For Culver City property owners to participate in the PACE program, the City would need to pass a resolution joining the JPA and authorizing the PACE program to take place in the City Culver.

More recently, the CalCAP/Seismic Safety Capital Access Loan Program became available. This program helps California small businesses and residential building owners with financing seismic retrofits by offering loss reserve protections to lenders that underwrite the costs of property improvements. CaICAP is administered through the
State of California Pollution Control Financing Authority. Property owners can secure finance through this program independent of City assistance.

Another potential financial assistance option is the federal funding for hazard mitigation through FEMA and Cal OES. FEMA has grant opportunities that Cities can apply, but the application process is lengthy, a year to two to complete. Currently FEMA's priority in California is for Fire Hazards and the City is required to participate in the share cost of typically 25%. Funds may be applied to city administration/implementation costs and/or property owners, but they do not apply retroactively. As it is a specialize undertaking, the City would need consultants to apply and administer if awarded. Staff will continue to explore this and other potential finance options at Council direction.

On-Going Outreach Efforts

An informational presentation detailing the benefits of retrofitting, compliance timelines, and estimated costs was also shared with building owners through a community outreach meeting. Staff will continue to engage the community in the City's efforts to strengthen the potentially vulnerable building stock. Future community meetings, as they relate to implementation of the ordinance and pass-through costs, will be planned to provide information about the ordinance and create a platform for the Chamber of Commerce and others to partner with City in providing resources to the community. Finally, a webpage <https://www.culvercity.org/City-Hall/Reports-policies-local-laws/Seismic-Retrofit-Program> was also launched earlier 2021 to provide information and resources about the proposed seismic program as it become available. The draft Ordinance, presentations from past community meetings, and answers to frequently asked questions as well as other resources are available on the webpage.

Stakeholder Input

On October 14, 2020, the City of Culver City Community Development Department with the City's technical consultant, Degenkolb Engineers, conducted a WebEx meeting, made-up of stake holders and city staff, for a discussion regarding policy considerations. This included scope, prioritization, timeframe, and implementation of the Culver City Seismic Retrofit Ordinance. Stakeholders comprised of residents, building owners, structural engineer, architects, contractor, realtors, neighboring City representative, property manager, HOA Representative, and Culver City Staff (Economic Development, Current Planning, Housing, Building and Safety Divisions, Public Works Department). The stakeholders provided insightful input and comments to staff. These comments have been taken into consideration for the drafting of a seismic strengthening ordinance to reduce the seismic risk of Soft Story buildings.

There were also concerns about finding a knowledgeable Contractor and Engineer to do required retrofit work have been expressed in various meetings. The City cannot directly provide recommendations for contractors or engineers because of liability issues, and therefore refers owners to visit SEAOSC, and CSLB, and market-place referral services (e.g. Angie's Lists and Home Advisors) for the vetting of the vendors. Staff would be able to provide a handout that provides general guidelines for selecting a contractor/engineer. These recommendations may include items such as obtaining at least three different estimates, checking references, how to look up licenses, etc.

External Technical Review

Staff requested the Structural Engineers Association of Southern California (SEAOSC) for a peer review of the technical provisions in the draft ordinance. On November 5, 2020 Degenkolb conducted a meeting with SEAOSC Safer Cities Committee, which comprised of approximately 20 Structural Engineers from the southern California region, with the participation of the Culver City Building Official and Deputy Building Official. The discussion was mainly technical in nature with comments relating to constructability, appropriate drift allowance, soil structure interaction, and lessons learned from other seismic programs. The draft ordinance as well as the technical guidelines were amended as a result of the insightful comments and observations that were made by the Committee.

Community Outreach

Three Community outreach meetings were conducted on November 3rd, 10th, and 19th, 2020. The purpose of these meetings was to provide information about the seismic retrofit policy and answer any questions regarding the draft ordinance as well as to get feedback from the property owners and the community. All three meetings were conducted online via WebEx meeting and attended by approximately 15-20 attendees from the community. Each meeting was conducted by Degenkolb Engineers with City staff's participation to answer related questions. At all three meetings, there was general agreement among the participants that the retrofit ordinance and seismic safety is important. Many of the questions that arose during the community meetings were clarified by staff and the consultants and consideration was taken into the drafting of the Ordinance. The meetings were recorded and posted a new "Seismic Retrofit Program" webpage.

Many smaller property owners brought up the issue that they may not be able to complete the work within the timeframes provided in the ordinance due to monetary issues. In addition, some of the owners of condominiums were worried that raising seismic strengthening funds under HOA policies can take longer than single owner buildings. These considerations are addressed under the appeal provisions of the draft Ordinance.
After receiving direction from the City Council at the June 28, 2021 meeting, Staff is currently anticipating bringing a proposed soft-story ordinance to City Council for introduction at the regular City Council meeting on July 12, 2021. The second reading/adoption would take place at the regular City Council meeting on August 9, 2021, and the ordinance would go into effect 30 days later, per the provisions of the City Charter.

FISCAL IMPACT:

There are City overhead costs for implementing the Soft Story Ordinance that may be offset through the plan check and permit process. A fulltime senior plan check staff engineer would need to allocate a majority of time to the seismic retrofit projects.

Staff also surveyed other cities such as, West Hollywood, and found that there are other fiscal impacts to consider, which include staffing to assist with outreach, implementation, and technical inquiries among others. If Council gives staff direction to move forward, any operational and administrative overhead costs needed to implement the ordinance will be further researched and presented to Council during the July 12th City Council meeting.

There are also cost impacts for impacted property owners that may be mitigated with some of the measures as discussed above.

NOTES:

1. On December 10, 2018, the City Council selected Degenkolb Engineers as the technical consultants for the Culver City seismic retrofit project. Pursuant to Degenkolb's scope of work, the project was scheduled in two phases. Phase One involved a citywide survey mapping with a summary report on findings presented to City Council. Phase Two involved community outreach meetings; preparation of a preliminary draft technical ordinance; review of the technical ordinance with City stakeholders, a Technical Advisory Group, and peer cities involved in similar ordinances; finalization of the draft technical ordinance; and final presentation to City Council for adoption.

   On October 14, 2019, Degenkolb Engineers presented its findings to the City Council after having completed Phase One of the Project. Degenkolb Engineers conducted a city-wide building survey between March 27, 2019 and July 30, 2019 using a two-tiered approach which consisted of a computer survey via Google Maps and an on-site visual observation from the public right of way. The data collection identified buildings that are potentially vulnerable to seismic damage or collapse associated with soft story building characteristics.

2. There are several active faults mapped by the California Geological Survey that are in or near the Culver City, including the recently mapped extension of the Santa Monica Fault Zone. Based on the seismic history of the Los Angeles region, it is not a matter of if, but rather, when we will experience the next significant earthquake. The US Geologic Survey (USGS), California Geologic Survey (CGS), and

the Southern California Earthquake Center, recently predicted a 97% probability of a 6.7 magnitude earthquake, the same size as the 1994 Northridge, would hit Southern California in the next 30 years. In addition, the city contains hundreds of buildings that have potential soft/weak story deficiencies which is considered to have one of the Highest Risk of significant damage during a large earthquake. This deficiency often occurs in wood buildings with soft, weak, or open front (SWOF) walls.

3. Surrounding Cities Retrofit Efforts
   In response to the 6.7 magnitude 1994 Northridge earthquake, the City of Los Angeles developed a voluntary soft story retrofit ordinance that became effective in May 1998. The minimal success of the voluntary program led the City to adopt mandatory standards in October 2015. The City of Santa Monica adopted a mandatory soft-story retrofit ordinance in 1999 in response to the loss of approximately 1500 apartment units (5% of their total housing units) from the Northridge earthquake. Although the City of Santa Monica adopted mandatory standards, unfortunately they were not heavily enforced. As a result, in December 2016, the City reported that approximately 1700 buildings continued to be at risk. As a follow up the City updated its mandatory soft story retrofit standards effective May 2017 and began to send out mandatory upgrade orders. The City of Santa Monica now requires that soft-story buildings owners have their retrofit completed by 2024. In 2017, the City of West Hollywood performed a survey and identified approximately 780 soft-story buildings that had applied for a building permit prior to January 1, 1978. The City of West Hollywood adopted a mandatory soft-story ordinance requiring soft-story buildings to have their retrofit completed within 5 years of compliance notice to owner.

ATTACHMENTS

1. Degenkolb Survey and Findings
2. SEAOSC letter
3. Draft Soft Story Seismic Retrofit SWOF Ordinance

MOTIONS

That the City Council:

1. Discuss the scope, prioritization, timeframe, and implementation of the draft soft-story seismic retrofit ordinance;

2. Provide direction on Tenant Impact Mitigation Plan (TIMP), Pass Through, and Financial Incentives; and

2. Provide other direction to the City Manager as deemed appropriate

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