

**CITY COUNCIL MEETING
TUESDAY, JULY 19, 2016**

PRESENTATIONS

WS 16-010

Soft Story Seismic Retrofit Program



Soft Story Seismic Retrofit Program

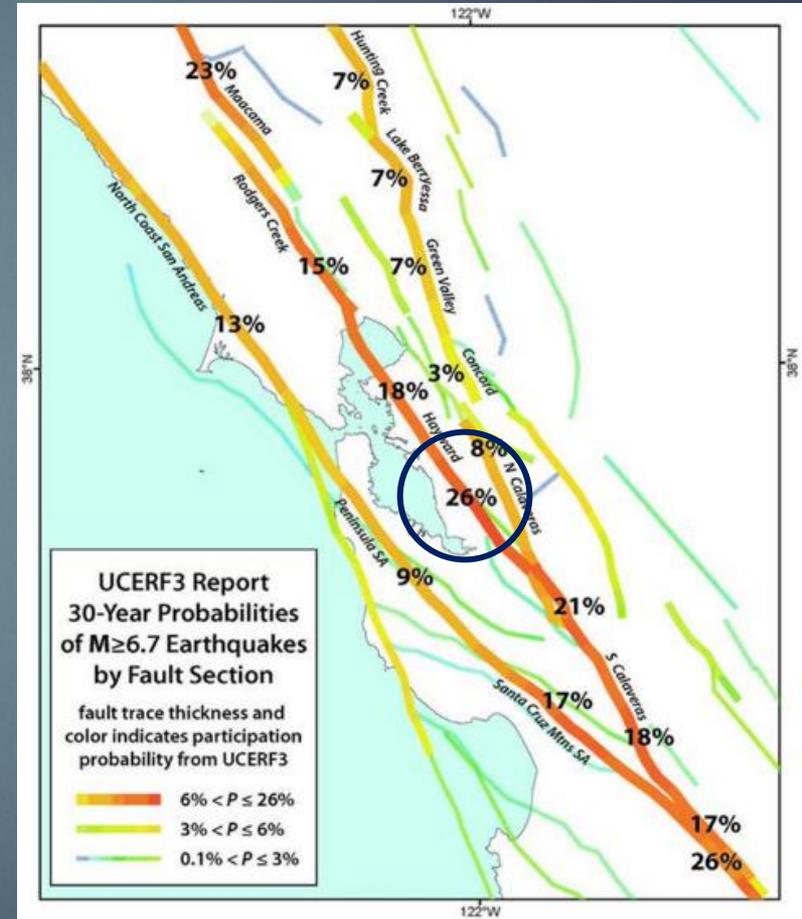
CITY COUNCIL WORK SESSION

July 19, 2016

Earthquake Risk in Hayward



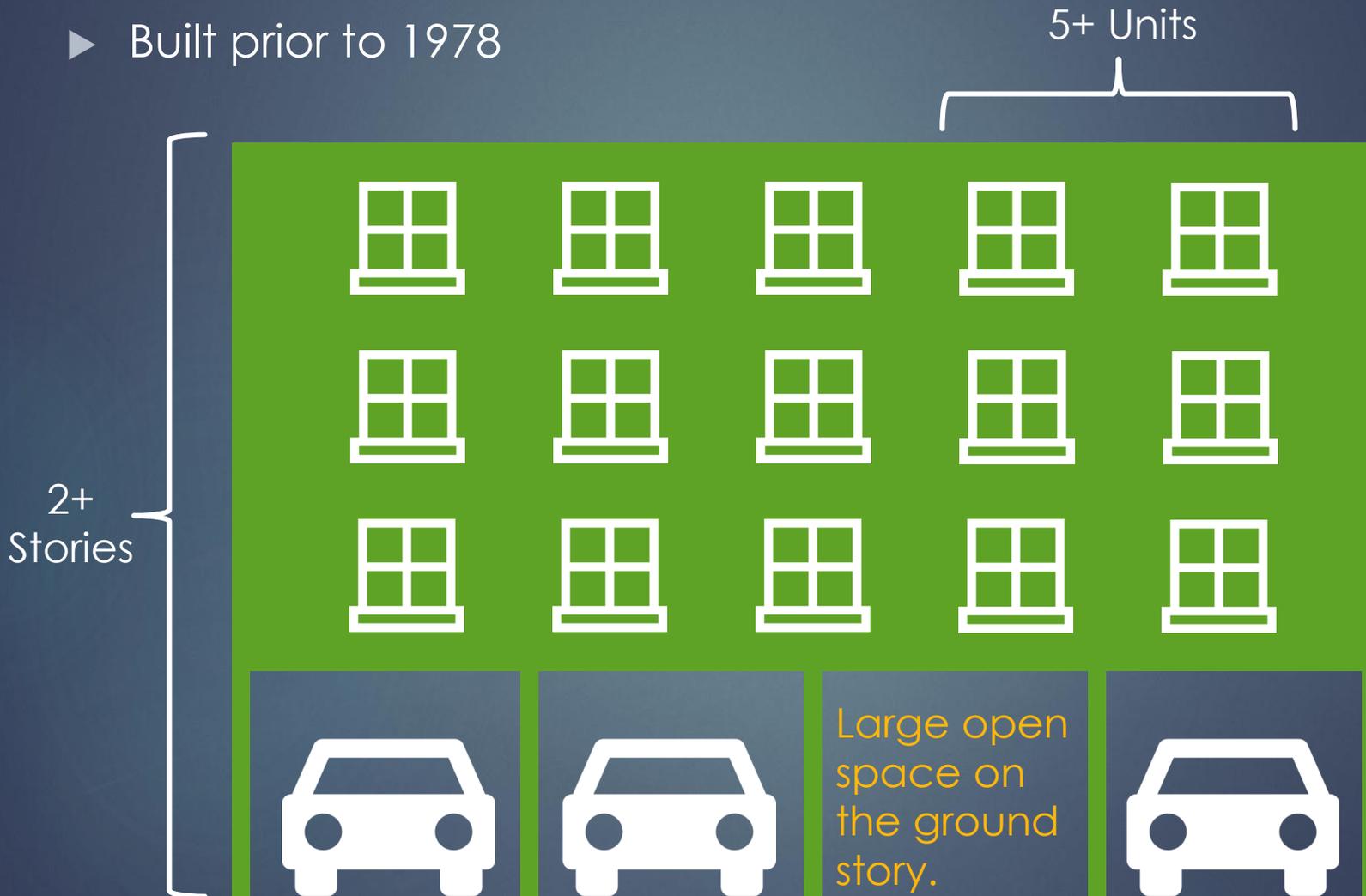
- ▶ 2015 Uniform California Earthquake Rupture Forecast
 - ▶ South Hayward Fault risk of M6.7+ rupture in next 30 years highest in Bay Area
 - ▶ Total risk of M6.7+ earthquake in next 30 years at 67%



Soft Story Buildings



- ▶ Built prior to 1978



Earthquake Damage to Soft Story Buildings



Earthquake Damage to Soft Story Buildings



Video Courtesy of Simpson Strong-Tie

Projected Losses from a Hayward Fault Quake



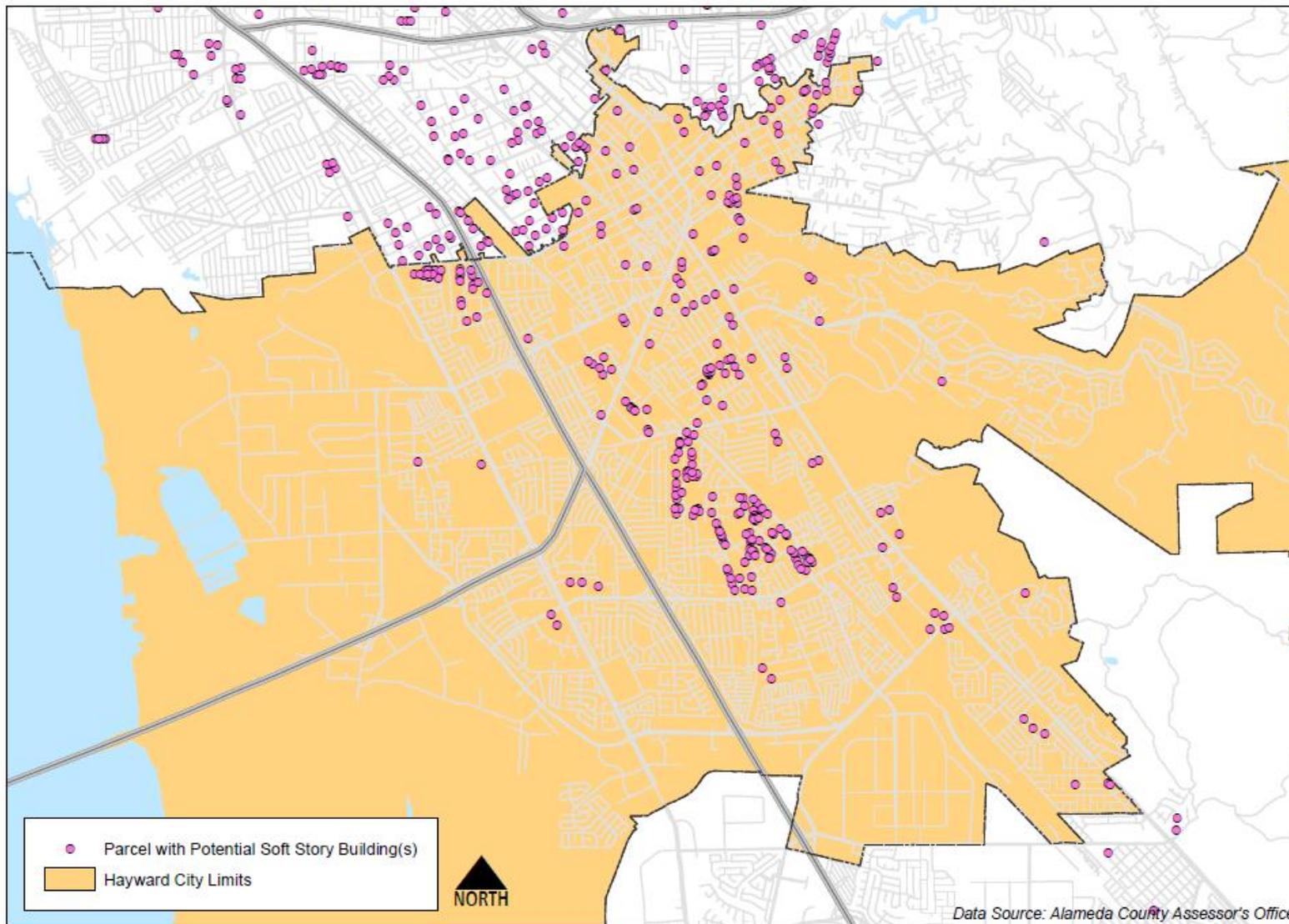
- ▶ Over 100,000 multi-family wood-frame buildings in Alameda County
- ▶ Approximately 3,000 individual ignitions countywide resulting in over 1,000 fires

In Hayward

- ▶ 900 potentially at-risk soft story buildings
- ▶ Estimated more than 8,500 effected units, or nearly 20% of total housing stock, 36% of rental
- ▶ Approximately 21,000 residents impacted



Parcels with Potential Soft Story Buildings - Pre-1978, 5+ Units, 2+ Stories



0 0.1750.35 0.7 1.05 1.4
Miles

June 2016

Projected Risks of Soft Story Buildings



To Tenants

- ▶ Loss of life, property, and housing

To Owners

- ▶ Loss of property and income

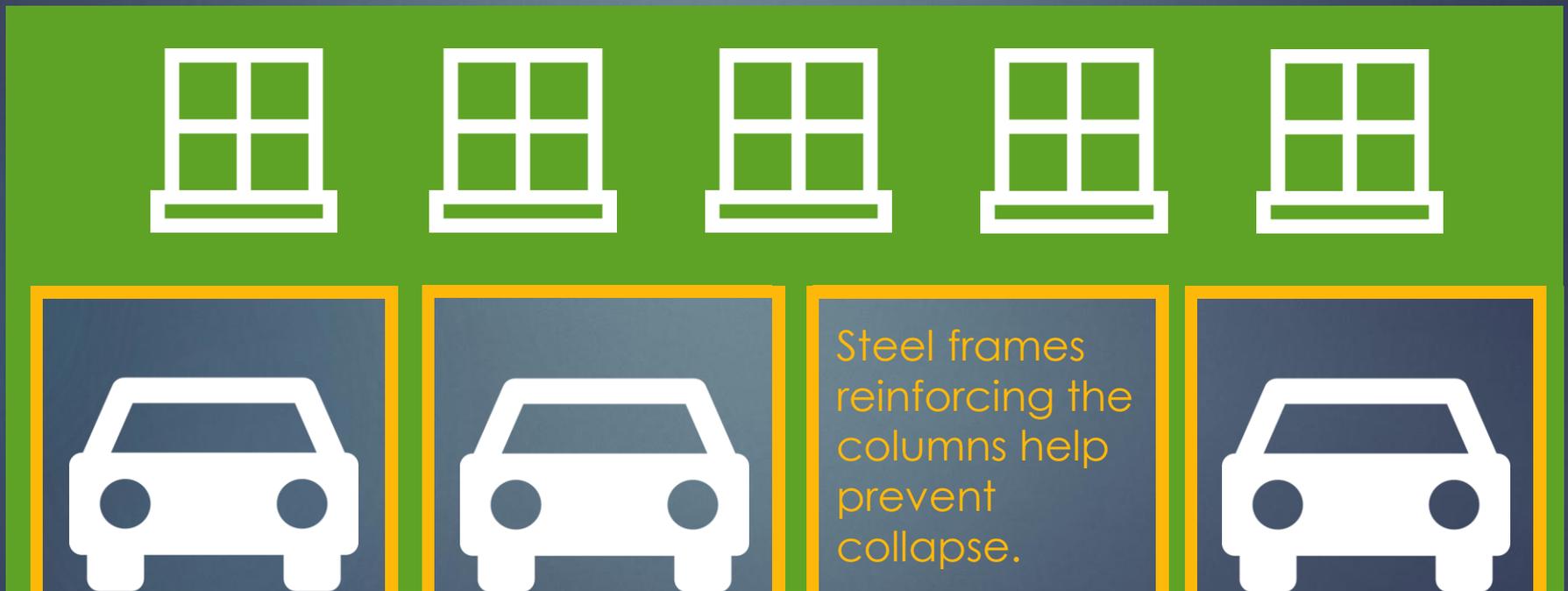
To Hayward

- ▶ Additional need for post-earthquake shelter and services for displaced population
- ▶ Permanent loss of housing stock/affordable housing

Retrofitting



- ▶ Strengthen the weakest points in building by adding steel frames, cantilevered steel columns, plywood bracing, or other reinforcement to the ground story.



- ▶ The specific design of each retrofit may vary due to each building's unique construction.

Retrofit Process



Broad estimate based on Assessor data



Sidewalk survey to confirm



Survey building owners to pare down list



Require engineering evaluation & plans



Acquire permits



Complete retrofits

Financing Options



- ▶ **Property-Assessed Clean Energy (PACE) Loans** – long-term loan programs assessed against property values.
- ▶ **FEMA's Hazard Mitigation Grant Program** – staff has submitted a grant application to FEMA for \$3M in retrofit assistance and incentives.
- ▶ **HUD Community Development Block Grants** – staff has reallocated \$500K for single-family home retrofits; will explore potential for soft story.

Regional Soft Story Retrofit Programs



- ▶ San Francisco (2013) - Mandatory
- ▶ Alameda (2009) – Engineering Evaluation
- ▶ Fremont (2007, complete) - Mandatory
- ▶ Berkeley (2005) - Mandatory
- ▶ Oakland (forthcoming) - Mandatory

Capital Improvements Pass-Through



City	Rent Control?	Soft Story Pass-Through
Berkeley	Yes	100% pass-through via increase in rent ceiling by 1.042% of the documented cost of the improvement attributable to that unit per rent control. Subject to Rent Board review.
San Francisco	Yes	100% pass-through, with rent increases subject to an annual limitation of \$30.00 or 10% of the tenant's petition base rent, whichever is greater. The amortization period for the pass-through is 20 years.
Alameda	No	No restriction or requirement.
Fremont	No	No restriction or requirement.
Oakland	Yes	Undetermined
Los Angeles	Yes	50% over 10 years, capped at \$38 per month in total rent increase.

Capital Improvements Pass-Through



	Retrofit Cost per Unit		
Amortization Period (years)	\$1,800 (low)	\$4,700 (average)	\$17,000 (high)
	Increase in Monthly Rent (nearest whole dollar)		
5	\$30	\$73	\$283
10	\$15	\$39	\$142
20	\$8	\$20	\$71
30	\$5	\$13	\$47

Implementation Phases



Berkeley	Building owners claiming financial hardship could appeal for one (1) additional year.
Alameda	None
Fremont	Phase 1: >10 units, or >2 stories. Phase 2: ≤10 units, and <3 stories.
San Francisco	Phase 1: Places of assembly, education, or residential care. Phase 2: ≥15 units. Phase 3: All other buildings. Phase 4: Buildings with ground floor tenants, or located in liquefaction zones.

Performance Objectives



Objective	Description	Cities
Reduced Risk	Designed to prevent collapse during an earthquake to facilitate evacuation and prevent loss of life	Alameda Fremont Berkeley
Life Safety	Designed to fully prevent loss of life and avoid demolition and permanent loss of buildings following an earthquake. Could take several years to repair.	
Habitability	Designed to allow immediate occupancy, and damage is repairable without requiring occupants to vacate.	San Francisco (SF's ordinance does not specify a standard, but indicates owners should work with engineers to design and retrofit; however, a review of permits issued in SF indicate this standard is typically being met.)

Public Contact



- ▶ Individual conversations with several Hayward property owners discussing their buildings and experience with soft story retrofits
- ▶ July 18 meeting with Rental Housing Association board and membership to discuss moving forward with a soft story retrofit program

Policy Questions



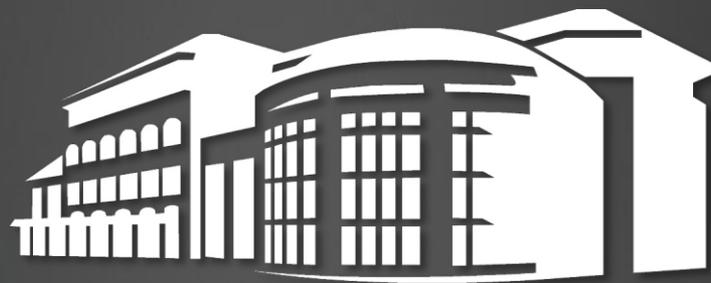
- ▶ How should the cost of the retrofit be allocated and amortized between tenants and landlords?
- ▶ Should retrofits deadlines be phased, or all at once?
- ▶ To what performance objective should the buildings be retrofitted?



Making Hayward safer
together.

PH 16-075

Mills Act Historical Property Contract



Public Hearing: Mills Act Historical Property Contract
22654 Main Street (“Green Shutter Hotel”)

Background



- ▶ Mills Act grants cities the ability to provide property tax abatements to the owners of qualified historical properties.
- ▶ The City Council adopted the Hayward Mills Act Historical Property Contract Program at its May 3, 2016 meeting.
 - ▶ Since this time, the City has only received one application.
- ▶ The goal of this program is to help facilitate the rehabilitation, restoration, preservation, and maintenance of local qualified historical properties.

Application



Applicant

- ▶ B Street Apartment Group, LP
- ▶ For Green Shutter Hotel located at 22654 Main Street
- ▶ National Register of Historical Places recognized as of May 2004

Proposed Work

- ▶ \$4,552,000—Estimated cost of improvements
- ▶ Includes seismic strengthening
- ▶ Restoration and rehabilitation work to construct 41 market rate studio apartments

Estimated Annual Property Tax Savings: \$21,000

Staff Recommendation



That the City Council approves the application for the Mills Act Historical Property Contract and finds it consistent with and supportive of the Hayward General Plan goals and policies for historical preservation as well as the provisions of Hayward Municipal Code Chapter 10, Article 27 and directs the City Manager to execute a Mills Act Historical Property Contract with B Street Apartment Group, LP. in a form approved by the City Attorney and to take any and all administrative actions necessary for execution in accordance with Hayward Municipal Code Chapter 10, Section 27.