



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Mayor Matt Mahan

SUBJECT: Soft Story Seismic Retrofit Ordinance **DATE:** September 24, 2024

Approved:

Date: September 23, 2024

RECOMMENDATIONS:

1. Adopt the memo authored by Councilmembers Foley, Davis, and Candelas.
2. Adopt the memo authored by Councilmembers Ortiz, Torres, and Jimenez except 1.a.i.
 - a. Modify recommendation 1.a.ii to state, “Monitor the impact of this ordinance on tenants residing in soft story buildings as part of the ongoing work in the Rent Stabilization Program Strategic Plan.”
3. Create a financing program that allows all soft story units to access favorable loan terms should future funding become available.

DISCUSSION:

I thank my colleagues for their thoughtful memoranda on the soft story seismic retrofit ordinance. The group memo authored by Councilmembers Foley, Davis, and Candelas offers welcome direction on implementation and monitoring. The Ortiz, Torres, and Jimenez memo also highlights the program’s need for a thoughtful conversation thorough the budget process on using Measure E dollars. Budgets reflect our priorities and create dialogue around trade-offs. I wholly agree a discussion on these trade-offs is warranted through the budget process.

Tenant and property owners are under increasing pressure from the rising costs of utilities, state mandates, and insurance. That is why I am thankful staff is not proposing creating an unfunded mandate. Rather, staff will bring back a Financing Program that establishes a public private partnership between the city and property owners. This program hopes to allocate significant federal and city money totaling about \$90M of investment.

The ordinance could help improve about 3,500 buildings with over 24,000 units, housing approximately 72,000 people. Fundamentally this policy is about saving lives in the event of an earthquake. And we know with numerous fault lines running through the City of San José, the question is not if, but when the next big earthquake will hit.

The signers of this memorandum have not had, and will not have, any private conversation with any other member of the City Council, or that member's staff, concerning any action discussed in the memorandum, and that each signer's staff members have not had, and have been instructed not to have, any such conversation with any other member of the City Council or that member's staff.