

HOUSING COMMITTEE REPORT relative to funding the costs of mandated seismic retrofit of buildings within the City of Los Angeles.

Recommendation for Council action, pursuant to Motion (Blumenfield - Cedillo - Koretz):

DIRECT the City Administrative Officer (CAO), with the assistance of the Chief Legislative Analyst (CLA), other relevant City departments, and the City Attorney, to evaluate the services offered by Figtree Financing, California FIRST, and any other similar agency or entity which can be of assistance in providing financing to property owners who may be required by the City to retrofit their buildings for seismic safety purposes, and to report with recommendations for participating in these services should the Council decide to proceed.

Fiscal Impact Statement: Neither the CAO nor the CLA has completed a financial analysis of this report.

Community Impact Statement: None submitted.

SUMMARY

At its regular meeting held on January 28, 2015, the Housing Committee considered Motion (Blumenfield - Cedillo - Koretz) relative to an instruction to the CAO (with assistance from the CLA, City Attorney, and other relevant City departments) to evaluate the services offered by Figtree Financing, California FIRST, and any other similar agency that can assist in providing financing to property owners of buildings that may be required to be seismically retrofitted.

Councilmember Blumenfield, the maker of the Motion, addressed the Committee and discussed the possibility of using the Property Assessed Clean Energy (PACE) financing program for seismic retrofits (in 2011 the PACE Program was extended to cover seismic retrofitting). Councilmember Blumenfield stated that the PACE Program would allow property owners to pay for the retrofits by financing them through property tax over a period of time. The advantages include: retrofits would be affordable to those who lack upfront funds; creation of synergy with energy and water conservation upgrades when seismic retrofits are consolidated with those upgrades so property owners can take advantage of economies of scale; and since financed retrofits would occur through property tax, there would be no impact on the property owner's debt/asset ratio and the financing would stay with the property whether or not the owner sells the property.

Representatives of the CAO and the Mayor also addressed the Committee. The Mayor's representative reported that there are currently three commercial PACE providers who are eligible through statewide Joint Powers Agreements (JPAs) and they are ready to deploy capital for seismic retrofits. The City is already a member of the JPAs that administers two of the programs, however joining the JPA for the other program would require a Council resolution.

After further discussion, and after providing an opportunity for public comment, the Committee recommended approval of the Motion. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

HOUSING COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
CEDILLO:	YES
FUENTES:	YES
PRICE:	ABSENT

REW
2/5/15
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