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| **From:** | Symon Chang |
| **To:** | Schaaf, Libby |
| **Subject:** | The amendments to Capital Improvement/Debt Service on your February 25th agenda |
| **Date:** | Thursday, February 20, 2014 10:15:08 PM |

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Dear Council Member Schaaf:

I am writing to oppose the amendments to the Capital Improvement and Debt Service Program on your February 25th agenda.

I am a landlord in Oakland who own and manage a 15-unit apartment. The amendments to the program as proposed serve as a significant disincentive to making critical investments in properties for landlords.

The June 2013 ABAG report on soft story apartment buildings stated that 14,700 soft story apartments in Oakland would collapse in the event of a major earthquake. Even if no one died in the buildings, 21,500 Oakland residents would be homeless. This isn't an outcome that anyone - the city, landlords and tenants want. These amendments disincentivize landlords from doing seismic retrofit projects.

The amendments don't only impact seismic retrofit projects. Other city priorities like green building and safety are also negatively impacted by these amendments. On green building, the energy efficiency upgrades are often needed in older apartment buildings. These upgrades not only benefit the environment but save tenants money on monthly utility bills. On safety, rent controlled buildings are all built before 1983. There have been many updates to building codes that aren't addressed in old apartments.

The long return rate of the 20 year amortization period makes it impossible to obtain bank financing to pay for these upgrades. Without financing, small landlords like me aren't able to pay for these critical upgrades and these upgrades won't be done.

Contrary to the intent of the amendments, this proposal actually hurts tenants and the city by disincentizing investments by landlords into properties. At the end of the day, we all share the same goals of safe and energy efficient homes in Oakland. These proposals are not the way to achieve these goals.

Thank you for considering my comments, and please let me know if you want more details on those much needed seismic retrofit and building code related capital improvements.

Sincerely,

Symon Chang

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