



**CITY AND COUNTY OF SAN FRANCISCO**  
**OFFICE OF THE CONTROLLER**

**Ben Rosenfield**  
**Controller**

**Todd Rydstrom**  
**Deputy Controller**

June 28, 2016

Ms. Angela Calvillo  
Clerk of the Board of Supervisors  
1 Dr. Carlton B. Goodlett Place Room 244  
San Francisco, CA 94102-4689

RE: File 160552 – Amending Earthquake Loan Bond Program (first draft)

Dear Ms. Calvillo,

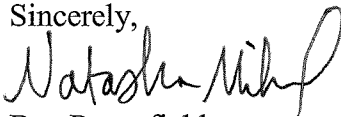
Should the proposed charter amendment be approved by the voters, in my opinion, it would have a minimal impact on the cost of government.

In 1992, San Francisco voters authorized the sale of \$350 million of general obligation bonds for the Earthquake Loan Bond Program, to provide loans for the seismic strengthening of unreinforced masonry buildings. The proposed amendment changes the authorized use of the market-rate residential, commercial, and institutional buildings allocation, for which approximately \$156 million remains authorized but unissued.

The proposed authorized uses include financing the cost to acquire, improve, and rehabilitate at risk multi-residential buildings (defined as three or more units) in need of seismic, fire, health and safety upgrades or other major rehabilitation for habitability, including mixed-use residential buildings in order to convert such structures to permanent affordable housing.

The City generally issues general obligation bonds legally secured by the property tax base in San Francisco. Under the proposed measure, the cost of servicing these bonds would be paid by the property owners benefitting from improvements paid from the bonds and not through a change to the overall property tax rate.

Sincerely,

  
Ben Rosenfield  
Controller

This analysis reflects our current understanding of the proposal. We will update this analysis as additional information becomes available. Should this item be placed on the November 8, 2016 ballot, we will prepare a fiscal impact statement for the Voter Information Pamphlet.