

1 [SEISMIC SAFETY LOAN PROGRAM.]
2

3 **Ordinance amending and/or renumbering Sections 66A.2, 66A.3, 66A.4, 66A.6, 66A.7,**
4 **66A.8, 66A.9, 66A.10 , 66A.12, 66A.13, 66A.14, 66A.15, 66A.16, 66A.17, 66A.18, 66A.19,**
5 **66A.20, 66A.21, 66A.22, 66A.23, 66A.24, 66A.26, 66A.27 and 66A.28 and repealing**
6 **Sections 66A.11 and 66A.25 of Chapter 66A of the Administrative Code to conform to**
7 **current practices and make technical corrections.**

8 Note: Additions are *italic; Times New Roman*; deletions
9 are ~~*strikethrough italic; Times New Roman*~~
10 Board amendment additions are double underlined.
Board amendment deletions are ~~strikethrough normal~~.

11 Be it ordained by the People of the City and County of San Francisco:

12 Section 1. Chapter 66A of the San Francisco Administrative Code is hereby amended
13 to read as follows:

14 Sec. 66A.1. PURPOSE. The purpose of this Chapter 66A is to implement a seismic
15 safety loan program ("Program") by describing the conditions under which the City and
16 County of San Francisco ("City") may lend taxable general obligation bond proceeds to
17 building owners to finance the seismic retrofit of unreinforced masonry buildings. In addition to
18 the requirements of Administrative Code Chapter 66 and this Chapter 66A, the Program shall
19 also be subject to all federal, state and local laws applicable to the issuance of bonds related
20 to the Program, the making of loans, specific seismic retrofit standards, and any other
21 applicable matters.

22 Sec. 66A.2. DEFINITIONS. Unless otherwise defined below, capitalized terms used in
23 this Chapter 66A shall have the meanings set forth in this Chapter 66A or in Administrative
24 Code Chapter 66.
25

1 (1) "Annual Debt Service" means the *projected* annual sum of all payments due on
2 obligations secured by the Property, as defined below, for the 12 months following the ~~date of~~
3 ~~application for completion of Seismic Strengthening to be financed by a Seismic Safety Loan~~, as
4 defined below, including any payments which will be due on the proposed Seismic Safety
5 Loan, but shall not include depreciation of the Property.

6 (2) "Annual Net Operating Income" means the annual sum of all gross income
7 estimated to be generated by the Property, as defined below, during the 12 months following
8 the ~~date of application for completion of Seismic Strengthening to be financed by a Seismic Safety~~
9 Loan, as defined below, less the sum of all operating expenses for the Property during such
10 period.

11 (3) "Applicant" means an applicant for a Seismic Safety Loan, as defined below.

12 (4) "Bolts Plus" means the retrofit standard defined in San Francisco Building Code
13 Section 1603B and permitted under San Francisco Building Code Section 1609C.2.

14 (5) "Bond Proceeds" means the proceeds of taxable general obligation bonds to be
15 issued by the City to finance the Program, including interest on such proceeds.

16 (6) "Borrower" means a recipient of a Seismic Safety Loan, as defined below.

17 (7) "Building Code" means the San Francisco Building Code, as it may be amended
18 from time to time.

19 (8) "Debt Service Coverage Ratio" shall be the ratio of Annual Net Operating Income
20 on the Property, as defined below, to Annual Debt Service on the Property.

21 (9) "General Procedure" means the retrofit standard defined in Building Code Section
22 1610C.

23 (10) "Loan Committee" means the Unreinforced Masonry Building Loan Committee, as
24 further defined in Section ~~66A.14~~ 66A.13.

1 (11) "Loan to Value Ratio" means the ratio of the outstanding principal balance of all
2 financing secured by the Property, as defined below, including the proposed Seismic Safety
3 Loan, as defined below, to the Market Value of the Property.

4 (12) "Market Value" of the Property, as defined below, means the value of the Property
5 as determined by an appraiser approved by the City who possesses a State of California
6 appraisal license, certified general, based on both historical data and projected income and
7 value following completion of Seismic Strengthening, as defined in Administrative Code
8 Section ~~66.1(i)~~ 66.1(h). Such appraisal shall be dated no earlier than 90 days prior to the date
9 of application for a Seismic Safety Loan, as defined below. The Applicant shall be fully
10 responsible for the cost of obtaining such an appraisal. The Program Administrator, as defined
11 below, shall provide prospective Applicants with a list of preapproved appraisers. The
12 Applicant may obtain the prior written approval of the Program Administrator in the event the
13 Applicant wishes to utilize an appraiser other than as specified on such list.

14 (13) "Program Administrator" means a representative of the Director of Business and
15 Economic Development's office, as specified in Section ~~66A.27~~ 66A.25.

16 (14) "Program Regulations" means regulations to be developed by the Program
17 Administrator, which will address those issues specified in this Chapter 66A, in addition to any
18 other matters deemed necessary by the Program Administrator in order to implement
19 Chapters 66 and 66A.

20 (15) "Property" means an unreinforced masonry bearing wall building ("UMB as defined
21 in Administrative Code Section ~~66.1(j)~~ 66.1(i), together with the legal parcel(s) of real property
22 on which the UMB is located

23 (16) "Regulatory Agreement" means an agreement to be executed by the Property
24 owner and recorded against the Property in order to restrict subsequent use of the Property,
25 as further described in Administrative Code Section 66.5 and in this Chapter 66A.

1 (17) "Section 3403.6" means the retrofit standard defined in Building Code Section
2 3403.6.

3 (18) "Seismic Safety Loan" means a loan made pursuant to Administrative Code
4 Chapters 66 and 66A, and includes Below Market Rate Loans, Deferred Loans and Market
5 Rate Loans, each as defined in Administrative Code Section 66.1.

6 (19) "Special Procedure" means the retrofit standard defined in Building Code Section
7 1611C.

8 Sec. 66A.3. PROGRAM PERSONNEL. In addition to the Program Administrator and
9 Loan Committee, as further described in this Chapter 66A, the following individuals or entities
10 shall assist in the operation of the Program. Each individual/entity shall be selected through a
11 request for proposals process to be conducted by the UMB Program Administrator. The City
12 shall enter into agreements to obtain the services of such individuals and/or entities according
13 to applicable City procedures and subject to all required City approvals.

14 ~~(1) Loan Packager. The loan packager(s) may be private lender(s) or financial consultant(s), as~~
15 ~~approved by the Program Administrator (collectively, the "Loan Packager"). The duties of the Loan~~
16 ~~Packager are described in Section 66A.11, below.~~

17 ~~(2) Financial Consultant. The financial consultant ("Financial Consultant") shall~~
18 ~~perform the duties described in Sections 66A.13 66A.12 and 66A.17-66A.16, below.~~

19 (2) Loan Servicer. The Loan Servicer shall be a private lender and/or loan servicer
20 ("Loan Servicer"). The duties of the Servicer are described in Section ~~66A.18-66A.17~~, below.

21 Sec. 66A.4. LENDING CRITERIA. Applicants must satisfy the following criteria
22 *described in Section 66A.4(1)*, at a minimum, in order to be eligible for consideration for receipt
23 of a Seismic Safety Loan. The Loan Committee may also consider those additional factors
24 described in Section 66A.4(2) in determining whether to approve a Seismic Safety Loan. In no
25

1 event will an Applicant's satisfaction of the criteria in this Section 66A.4 be deemed to
2 guarantee approval of a Seismic Safety Loan for the Applicant.

3 (1) Underwriting Criteria.

4 (a) Below Market Rate Loans. Each Applicant for a Below Market Rate Loan must
5 show that the Property to be rehabilitated satisfies one of the following criteria:

6 (i) The Loan to Value Ratio of the Property shall not exceed 95 percent, and the
7 Property shall have a minimum Debt Service Coverage Ratio of 1.1x; or

8 (ii) The Loan to Value Ratio of the Property shall not exceed 90 percent, and the
9 Property shall have a minimum Debt Service Coverage Ratio of 1.05x.

10 (b) Deferred Loans. Each Applicant for a Deferred Loan must show that the Property to
11 be rehabilitated satisfies the following criteria: The Loan to Value Ratio of the Property shall
12 not exceed 95 percent.

13 (c) Market Rate Loans. Each Applicant for a Market Rate Loan must show that the
14 Property to be rehabilitated satisfies one of the following criteria:

15 (i) The Loan to Value Ratio shall not exceed 95 percent, and the Property shall have a
16 minimum Debt Service Coverage Ratio of 1.1x; or

17 (ii) The Loan to Value Ratio shall not exceed 90 percent, and the Property shall have a
18 minimum Debt Service Coverage Ratio of 1.05x.

19 (2) Other Lending Criteria. In addition to the underwriting criteria specified in Section
20 66A.4(l), above, the Loan Committee shall evaluate each of the following factors for each
21 Applicant, as these factors are more fully addressed in the Program Regulations:

22 (a) Creditworthiness. The Loan Committee shall evaluate an Applicant's credit history
23 and likelihood of making timely loan repayments.

24 (b) Net Worth. The Loan Committee shall examine an Applicant's net worth and
25 income.

1 (c) Experience. The Loan Committee shall determine whether an Applicant has
2 experience with rehabilitation projects, and whether such experience may contribute to the
3 likelihood of timely completion of the Seismic Strengthening and repayment of the Seismic
4 Safety Loan.

5 (d) Scope of Work. The Loan Committee shall assess the degree to which the
6 proposed scope and timing of the Seismic Strengthening will address the needs of the
7 Property and the surrounding neighborhood with regard to habitability and marketability of the
8 Property.

9 (e) Additional Factors. In the event a Property does not meet the Loan to Value ~~ratio~~
10 *Ratio* and/or Debt Service Coverage Ratio Requirements set forth above, the Loan Committee
11 may consider the following factors in determining whether to approve a Seismic Safety Loan,
12 in the following order of priority:

13 (i) The Applicant's ability and willingness to repay the Seismic Safety Loan, including
14 the availability of additional real property collateral as described in Section 66A.6(2), and the
15 availability of personal or corporate ~~guarantees~~ *guaranties*, as described in Section 66A.6(2);

16 (ii) The extent to which proposed rehabilitation costs may be reduced in order to permit
17 the Applicant to qualify for a lesser Seismic Safety Loan amount; and

18 (iii) The extent to which existing lenders of financing secured by the Property have
19 agreed to subordinate the liens of their deeds of trust or other encumbrances to the lien of the
20 deed of trust ("Deed of Trust") in favor of the City ~~securing a Borrower's obligations~~ in
21 connection with a Seismic Safety Loan.

22 Sec. 66A.5. DOCUMENTATION FOR SEISMIC SAFETY LOANS. (1) Each Seismic
23 Safety Loan shall be evidenced by a loan agreement, a promissory note, a Deed of Trust, a
24 Regulatory Agreement (where applicable), escrow-instructions, and any other documents
25 reasonably required to evidence the Seismic Safety Loan and adequately protect the City's

1 interest in the Applicant's completion of the Seismic Strengthening and repayment of the
2 Seismic Safety Loan. The form and content of such loan documents shall be reviewed and
3 approved by the City Attorney's Office and the Program Administrator.

4 (2) As a condition to the close of any Seismic Safety Loan, the Deed of Trust and
5 Regulatory Agreement (where applicable) shall be recorded as liens against the Property,
6 subject only to those encumbrances approved by the City. The loan documents shall provide
7 that a Seismic Safety Loan shall, at the City's option, be due and payable immediately upon
8 the close of escrow of any sale or transfer of the Property. The City may permit subsequent
9 owners of the Property or transferees of the Borrower to assume an existing Seismic Safety
10 Loan, provided that the Property and the subsequent owners or transferees continue to meet
11 the criteria set forth in Section 66A.4, and that any such subsequent owner or transferee
12 expressly agrees in writing to assume all of the Borrower's obligations under the Seismic
13 Safety Loan documents.

14 (3) A default under any document(s) evidencing a Seismic Safety Loan, including but
15 not limited to a Regulatory Agreement, shall constitute a default under the loan agreement
16 and allow the City to pursue any remedies available at law or in equity.

17 Sec. 66A.6. SECURITY FOR SEISMIC SAFETY LOANS. (1) Deed of Trust. As
18 security for Borrower's obligations in connection with the Seismic Safety Loan, the Borrower
19 shall execute and deliver a deed of trust and assignment of rents ("Deed of Trust") on the
20 Property in favor of the City. As a condition to the close of the Seismic Safety Loan, the City
21 shall record the Deed of Trust against the Property, subject only to those liens and
22 encumbrances approved in writing by the ~~city~~ City.

23 (2) Additional Collateral. In the event an Applicant meets the other lending criteria
24 specified in Section 66A.4(2). above, but does not meet the Loan to Value Ratio or Debt
25

1 Service Coverage Ratio *requirements* set forth in Section 66A.4(l), above, the Loan Committee
2 may choose to accept any of the following collateral in addition to the Deed of Trust:

3 (a) Personal Guaranty. In cases where (i) the Applicant is an org organization on
4 exempt from taxation under the Internal Revenue ~~laws~~ *Code* of the United States and the
5 Revenue and Taxation Code of the State of California as a bona fide ~~fraternal~~ fraternal
6 charitable, benevolent, ~~religious~~ religious or other nonprofit organization; and (ii) the Property
7 does not meet the underwriting criteria set forth in Section 66A.4(l), above, then the Loan
8 Committee may choose to accept, in addition to the Deed of Trust, a personal, corporate or
9 other guaranty issued for the benefit of the City from an individual or entity unrelated to the
10 Applicant ("Guaranty") to guaranty the Borrower's obligations in connection with the Seismic
11 Safety Loan. ~~Such guarantee~~ *The Guaranty* shall be in form and substance satisfactory to the
12 Loan Committee. The Loan Committee may request any information required to support the
13 creditworthiness of the individual or party proposing to issue the Guaranty.

14 (b) Additional Real Property Security. The Loan Committee may accept additional real
15 property security to be subject to a lien of a Deed of Trust. Such real property must be located
16 within the nine-county San Francisco Bay Area. The Loan to Value Ratio of such additional
17 real property shall not exceed 75 percent.

18 Sec. 66A.7. SUBORDINATION OF LIENS SECURING SEISMIC SAFETY LOANS.

19 (1) The City shall negotiate with other existing and proposed lien holders and other holders of
20 obligations secured by the Property in order to gain a superior position for the lien of the Deed
21 of Trust and the Regulatory Agreement, if applicable.

22 (2) ~~In the case of a Market Rate Loan, the~~ The City may, in its discretion, agree to
23 subordinate the lien of the Deed of Trust to subsequent lenders providing financing for the
24 rehabilitation of the Property, so long as the Property continues to meet the underwriting
25 criteria set forth in Section 66A.4(1), above.

1 Sec. 66A.8. PERMISSIBLE LOAN AMOUNTS. (1) Determination. The ~~Program Board,~~
2 ~~as defined in Administrative Code Section 66.6 shall work with the City's Bureau~~ Department of
3 Building Inspection and such other City departments as determined by the Program
4 Administrator *and the Loan Committee shall work with the Program Administrator* to determine
5 permissible cost ranges for seismic rehabilitation activities and, from that information,
6 proposed maximum loan amounts for individual Seismic Safety Loans, based on the type of
7 building and the work necessary to complete the Seismic Strengthening. ~~In addition to the~~
8 ~~Program review specified in Section 66A.25, below, the Program Board~~ *The Program Administrator*
9 shall periodically review and, as necessary, amend these amounts during the Program.

10 (2) Retrofit Standards Used to Determine Permissible Amounts.

11 (a) Seismic Safety Loans maybe used to finance the minimum level of Seismic
12 Strengthening work required by Chapters 14 and 15 of the Building Code, subject to
13 Subsections (b) and (c), below.

14 (b) In the event a Property would qualify for Bolts Plus but the Applicant elects to
15 comply with the Special Procedure, the amount of the Seismic Safety Loan shall be calculated
16 based upon the sum necessary to comply with the Special Procedure.

17 (c) In the event a Property would qualify for the General Procedure, and the Applicant
18 demonstrates that the cost of complying with Section 104(f) would be less than or equal to the
19 cost of complying with the General Procedure, the amount of the Seismic Safety Loan shall be
20 calculated based upon the sum necessary to comply with Section 104(f).

21 (3) Proposed Loans in Excess of Permissible Amounts. The Loan Committee may, in
22 its discretion, approve Seismic Safety Loans in excess of the amounts determined in Section
23 66A.8(1), above, after receiving special review and approval by the Loan Committee.

24 Sec. 66A.9. ELIGIBLE USES OF LOAN PROCEEDS. (1) Seismic Rehabilitation Costs.
25 The principal amount of any Seismic Safety Loan may be used to pay the following costs,

1 provided such costs are necessary for seismic safety reasons or legally required for
2 completion of Seismic Strengthening or occupancy of a UMB:

3 (a) Seismic Strengthening of UMBs;

4 (b) Soft costs directly associated with the Seismic Strengthening, including but not
5 limited to architectural fees, engineering fees, development of tenant protection plans, loan
6 packaging fees, permit fees and escrow and closing fees and costs;

7 (c) Replacement and/or restoration of finishes disturbed during performance of the
8 Seismic Strengthening to their condition existing as of the date of commencement of the
9 Seismic Strengthening;

10 (d) Remediation or reduction of toxic materials disturbed during Seismic Strengthening
11 in accordance with applicable federal, State or local laws; and

12 (e) Residential tenant relocation costs, as required by applicable laws.

13 (2) Life/Safety Code Compliance and Disability Access. Up to 25 percent of the seismic
14 construction hard costs portion of any Seismic Safety Loan may be used, to the extent legally
15 required for completion of the Seismic Strengthening of or to permit occupancy of a Property,
16 to pay costs of improvements to the Property to protect the life or safety of or to provide
17 legally required disability access for occupants of the Property. In the event the ~~Program Board~~
18 *Loan Committee* determines that greater than 25 percent of the amount of a Seismic Safety
19 Loan is generally requested to complete the work described in this Section 66A.9(2), the
20 ~~Program Board~~ *Loan Committee* may recommend to the Board of ~~Supervisors~~ *Supervisors* that this
21 Section be amended to increase the 25 percent cap.

22 Sec. 66A.10. BIDDING REQUIREMENTS; MINORITY/WOMEN BUSINESS
23 ENTERPRISES. (1) Prior to applying for a Seismic Safety Loan, each Applicant shall obtain a
24 minimum of three qualified bids for performance of the work to be financed by a Seismic
25 Safety Loan. All three bids must be included with an application. At least one of those bids

1 shall be from a contractor and/or engineer, whichever type of professional with whom the
2 Applicant intends to enter into a contract for performance of Seismic Strengthening, which has
3 been certified by the City's Human Rights Commission, pursuant to Administrative Code
4 Section ~~1213.6 (B)~~ 12D A.6(B)(1), as an MBE or ~~M/WBE~~ WBE, as defined in Administrative
5 Code Section ~~12D.5~~ 12D.A. In cases where a Borrower wishes to enter into a negotiated bid with a
6 contractor, the Borrower must demonstrate to the Program Administrator that a good faith effort was
7 made to notify MBE and WBE contractors of the work to be performed. The Program Administrator
8 shall make available to Applicants a list of certified MBEs and ~~M/WBEs~~ WBEs from which such
9 bids may be solicited. In no event shall the Applicant be required to pay any bid preparation
10 fee to the MBE and/or ~~M/WBE~~ WBE.

11 (2) It is the goal of the Board of Supervisors that 25 percent of all Seismic Safety Loan
12 proceeds disbursed in the Program be paid by Borrowers to contractors who are MBEs and/or
13 WBEs and/or ~~M/WBES~~.

14 ~~Sec. 66A.11. LOAN PACKAGING. (1) Duties. Loan packaging shall consist of preparing an~~
15 ~~application for a Seismic Safety Loan for submission to the Loan Committee. An Applicant may~~
16 ~~prepare his or her own loan package, or may utilize the services of a Loan Packager.~~

17 ~~(2) Loan Packaging Fees. Loan packaging fees charged by the Loan Packager shall be included~~
18 ~~in the principal balance of an approved Seismic Safety Loan, and shall be paid to the Loan Packager at~~
19 ~~the time of the close and funding of such Seismic Safety Loan. In no event shall the amount of such~~
20 ~~fees for any Seismic Safety Loan exceed five percent the principal balance of such loan.~~

21 ~~Sec. 66A.12~~ 66A.11. LOAN APPLICATION PROCESS. Loan application information
22 and forms may be obtained from the Program Administrator, or such other location or
23 individual as may be determined by the Program Administrator. The application package will
24 indicate procedures for returning completed applications.

1 Sec. ~~66A.13~~ 66A.12. INITIAL REVIEW OF LOAN APPLICATIONS BY FINANCIAL
2 CONSULTANT. Applicants ~~or the Loan Packager~~ shall submit completed applications to the
3 ~~Financial Consultant Program Administrator~~ for an initial review of consistency with
4 ~~the regulations in this Chapter 66A Program requirements.~~ The ~~Financial Consultant Program~~
5 ~~Administrator~~ shall then take one of the following actions:

6 (1) Return any incomplete or insufficient loan application ~~to the Loan Packager or to the~~
7 Applicant, ~~in cases where the Applicant does not utilize a Loan Packager,~~ together with a brief
8 explanation of any additional information needed to complete the application; or

9 (2) Transmit the complete loan application to the ~~Program Administrator, to be forwarded~~
10 ~~to the Loan Committee, together with an indication of whether~~ *Financial Consultant* for review. *The*
11 *Financial Consultant* would then (a) *assess the application to make sure that it meets the minimum*
12 *criteria set forth in Sections 66A.4, and (b) develop a summary of the loan package that will aid the*
13 *review and discussion of the application by the Loan Committee and (c) the Financial Consultant*
14 *recommends approval or disapproval of the loan, and provide the basis for such*
15 *recommendation. In addition, the* *The Program Administrator* shall provide copies of the
16 *Financial Consultant's recommendation to the Applicant at least five days prior to*
17 *consideration of the application by the Loan Committee.*

18 Sec. ~~66A.14~~ 66A.13. UNREINFORCED MASONRY BUILDING LOAN COMMITTEE.

19 (1) Members. The Loan Committee shall consist of the following members as appointed by
20 the Director of Business and Economic Development, each of whom shall be voting members:

- 21 (a) The Program Administrator or his/her designee;
22 (b) A financial expert or mortgage broker;
23 (c) A real estate appraiser or other commercial real estate expert;

1 (d) A finance expert, with experience in affordable housing development, from the
2 Mayor's Office of Housing or the successor to that office, or if no such office exists, from a
3 City department with experience in housing development and finance; and

4 (e) An engineering cost estimator.

5 (2) Quorum. Three members of the Loan Committee shall constitute a quorum for the
6 purposes of accomplishing the duties set forth in Subsection (3) below. A simple majority vote
7 of three members shall be necessary to approve any loan application or take any other action.
8 All decisions of the Loan Committee shall be final.

9 (3) Meetings. The Loan Committee shall meet on a monthly basis at a time and place
10 determined by the Loan Committee. *The Program Administrator may cancel the required monthly*
11 *meeting if no applications have been submitted for approval since the previous monthly meeting.* All
12 meetings shall be noticed in accordance with applicable State and local law.

13 (4) Duties. The Loan Committee shall perform the following duties:

14 (a) The Loan Committee shall meet on a monthly basis at times and places specified
15 by the Loan Committee, and determine whether to approve or disapprove a loan application.
16 In the case of ~~disapproval~~ *disapproval* the Loan Committee may indicate the reasons for such
17 disapproval, and the Applicant may choose to reapply in accordance with the requirements of
18 this Chapter 66A.

19 ~~(b) The Loan Committee may make approval of any loan subject to satisfaction of specific~~
20 ~~conditions subsequent.~~

21 ~~(5) Priority of Applications. In the event the Loan Committee receives applications for Seismic~~
22 ~~Safety Loans in excess of Bond Proceeds then available for Loans, the Loan Committee shall consider~~
23 ~~applications according to the following priorities:~~

24 ~~(a) Properties which have been assigned a risk level under Section 14043(b)(2) (B) of the San~~
25 ~~Francisco Building Code which imposes a shorter period for completion of Seismic Strengthening Shall~~

1 receive a greater priority than those Properties which have received a risk level which allows a longer
2 period for compliance.

3 (b) Properties with architectural or historic significance (including only those Properties listed
4 in Article 10 of the City Planning Code (City Landmarks and Historic Districts), Article II of the City
5 Planning Code (Downtown Properties), the California Register of Historical Resources or the National
6 Register of Historic Places) shall receive a greater priority than Properties not so listed.

7 (c) Properties with existing residential or commercial tenants shall receive a greater priority than
8 vacant Properties.

9 (d) Applications which include a bid containing a hiring plan to hire more than 25 percent of
10 their total construction workforce, measured in labor hours, from the designated pool of economically
11 disadvantaged individuals, as described in Section 66A.23, and accompanying Program Regulations,
12 shall receive a greater priority than applications with no such hiring plan.

13 Sec. ~~66A.15~~ 66A.14. LOAN COMMITTEE DECISIONS. Even if an Applicant meets all of
14 the eligibility criteria in this Chapter 66A, the Loan Committee may, in its discretion, choose
15 not to approve any proposed Seismic Safety Loan or to approve any Seismic Safety Loan for
16 less than the amount requested by the Applicant. Such a decision may, but need not, be based
17 upon the Loan Committee's determination that the amount of the requested loan would prevent the
18 optimal use of the Bond Proceeds during any fiscal year, that the demand for Bond Proceeds during any
19 fiscal year exceeds the available supply of such proceeds, or upon any other factor.

20 Sec. ~~66A.16~~ 66A.15. CLOSE OF SEISMIC SAFETY LOAN. The Program Regulations
21 shall contain procedures for the close of each Seismic Safety Loan, including required title
22 insurance and endorsements for the benefit of the City.

23 Sec. ~~66A.17~~ 66A.16. LOAN DISBURSEMENTS AND MONITORING BY *DUTIES OF*
24 FINANCIAL CONSULTANT. (1) Disbursement of Bond Proceeds to Financial Consultant. The City's
25 Treasurer shall be responsible for disbursing to the Financial Consultant, from Bond Proceeds, the

1 ~~monies needed in connection with the close of any Seismic Safety Loan. Such disbursements shall be~~
2 ~~made from time to time or upon the close of a Seismic Safety Loan, as determined by the Treasurer.~~

3 ~~(2) Duties of Financial Consultant.~~ In addition to the duties described in Section ~~66A.13~~
4 ~~66A.12~~, above, the Financial Consultant shall be responsible for *recommending* disbursement of
5 Seismic Safety Loan proceeds and monitoring construction progress. In addition, the Financial
6 Consultant shall work with those departments or individuals designated by the Program
7 Administrator to monitor compliance with all applicable loan documents, Administrative Code
8 Chapters 66 and 66A, and all other applicable State and local laws, except as provided in
9 Section ~~66A.24~~ ~~66A.23~~, below. The Financial Consultant shall *recommend* disbursements of loan
10 proceeds to the Borrower in accordance with disbursement procedures specified in the
11 Program Regulations. Such guidelines shall, at a minimum, require the Financial Consultant
12 or his/her agent to periodically inspect the progress of Seismic Strengthening and to
13 *recommend* disbursements of loan proceeds based on the level of completion.

14 (3) Financial Consultant Fees. The City may pay required fees to the Financial
15 Consultant from the Bond Proceeds.

16 Sec. ~~66A.18~~ ~~66A.17~~. LOAN SERVICING. (1) Duties of Loan Servicer. The Loan Servicer
17 shall receive repayments of Seismic Safety Loans, account for all such repayments, and
18 provide to the Program Administrator monthly statements of such accounts for each
19 outstanding Seismic Safety Loan.

20 (2) Loan Servicing Fees. The City may pay required fees to the Loan servicer from the
21 Bond Proceeds.

22 Sec. ~~66A.19~~ ~~66A.18~~. BASE WAGES. Except in cases where prevailing wages are paid
23 pursuant to Section ~~66A.20~~ ~~66A.19~~, all individuals performing work financed in whole or part by
24 a Seismic Safety Loan shall be paid not less than ~~\$9.00~~ \$10.00 per hour, excluding overhead
25 and benefits.

1 Sec. ~~66A.20~~ 66A.19. PREVAILING WAGES. In cases where the ~~total~~ amount of the
2 *Seismic Safety* loan package exceeds \$750,000, all individuals performing such work shall be
3 paid not less than the highest general prevailing rate. of wages as determined in accordance
4 with Administrative Code Section ~~6.37~~ 6.22.E or other applicable City laws regarding the
5 determination of prevailing wages.

6 Sec. ~~66A.21~~ 66A.20. PROPERTY/LIABILITY INSURANCE. As a condition precedent to
7 receipt of a Seismic Safety Loan, the Borrower shall maintain or cause to be maintained
8 insurance in types and amounts determined by the City's Risk Manager and the Program
9 Administrator. The Program Regulations shall include guidelines for such required insurance
10 coverage, which may include but shall not be limited to, general liability insurance, property
11 insurance, and workers compensation coverage.

12 Sec. ~~66A.22~~ 66A.21. HEALTH INSURANCE. *Subject to rules set forth in the Program*
13 *Regulations, except* ~~Except~~ in cases where prevailing wages are paid pursuant to Section ~~66A.20~~
14 66A.19, construction contractors *eligible to bid on work* financed in whole or part by a Seismic
15 Safety Loan ~~provide to their employees and their employees' dependents health coverage of a type and~~
16 ~~cost similar to that generally provided by a Health Maintenance Organization or Kaiser Hospitals, as~~
17 ~~will be more specifically described in the Program Regulations, until such time as a national health~~
18 ~~service plan applicable to such individuals is implemented by the federal government. Should obtain~~
19 *health insurance for their employees.* Guidelines regarding the cost and type of health coverage
20 required by this Section shall be specified in the Program Regulations. The cost for such
21 coverage shall be borne solely by the contractor, ~~provided that dependent coverage shall be~~
22 ~~offered to the employee under the Health Maintenance Organization's plan at the employee's expense.~~

23 Sec. ~~66A.23~~ 66A.22. ECONOMICALLY DISADVANTAGED HIRE REQUIREMENT. (1)
24 According to a program to be more fully described in the Program Regulations, in cases
25 where the total principal amount of a Seismic Safety Loan is equal to or greater than

1 \$200,000, borrowers shall require that their contractors performing work financed in whole or
2 part by a Seismic Safety Loan hire economically disadvantaged individuals to comprise no
3 less than 25 percent of each contractor's total construction work force, measured in labor
4 hours. For purposes of this Section ~~66A.23~~ 66A.22, an economically disadvantaged individual"
5 means an individual who earns no more than ~~25~~ 50 percent of median income for the San
6 Francisco Metropolitan Statistical Area, as determined by the United States Department of
7 Housing and Urban Development from time to time. The Program Administrator will ~~collaborate~~
8 *consult* with a *citywide* consortium of tax-exempt nonprofit community-based employment
9 agencies ~~to be~~ designated in the Program Regulations to refer and place these economically
10 disadvantaged persons. *Should a Seismic Safety Loan Program project be located in a community*
11 *not represented in the consortium, the Program Administrator will consult with community-based*
12 *employment agencies that serve the neighborhoods in which Seismic Safety Loan Program financed*
13 *projects are located.*

14 (2) In cases where the total principal amount of a Seismic Safety Loan is less than
15 \$200,00, it shall be a goal that 25 percent of the contractor's new hires be economically
16 disadvantaged individuals, as defined above.

17 (3) *Fees for Services. The City may use Bond Proceeds to pay reasonable fees for services*
18 *provided by placement agencies pursuant to this Section.*

19 Sec. ~~66A.24~~ 66A.23. MONITORING FOR COMPLIANCE WITH REGULATORY
20 AGREEMENTS. The Mayor's Office of Housing or its successor shall be responsible for
21 monitoring compliance with Regulatory Agreements.

22 ~~SEC. 66A.25. PROGRAM REVIEW~~ The Program Board shall review all aspects of the
23 ~~Pro-ram after one and one half years after commencement of the, Program to determine whether any~~
24 ~~amendments to this Chapter 66A, or any other, applicable local laws, should be recommended to the~~
25 ~~Board of Supervisors for adoption.~~

1 Sec. ~~66A.26~~ 66A.24. PROGRAM REGULATIONS. The ~~Pro gram~~ Program Administrator
2 shall develop Program Regulations to address the issues specified in this Chapter 66A and
3 such other matters as deemed necessary by the Program Administrator for efficient
4 administration of the Program. Such Program Regulations shall be subject to review and
5 approval by the Director of Business and Economic Development and the City Attorney's
6 Office.

7 Sec. ~~66A.27~~ 66A.25. PROGRAM MANAGEMENT. The Director of Business and
8 Economic Development shall be responsible for management of the Program in accordance
9 with these requirements. *The City's Controller's Office upon the direction of the Program*
10 *Administrator shall be responsible for disbursing from Bond Proceeds the monies needed in connection*
11 *with any Seismic Safety Loan. The Program Administrator shall direct disbursements in consultation*
12 *with the Financial Consultant. Disbursements shall be made from time to time or upon the close of a*
13 *Seismic Safety Loan, as determined by the Controller.* The Director of Business and Economic
14 Development shall appoint an individual to serve as the Pro gram Administrator, who will be
15 responsible for the day-to-day management of the Program.


16 Sec. ~~66A.28~~ 66A.26. AFFIRMATIVE ACTION. The City's affirmative action goals, as
17 described in Administrative Code Section 12B.4, shall apply to contractors performing Seismic
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1 Strengthening under contracts with Borrowers under this Program. Compliance with those
2 goals shall be monitored by the Director of Business and Economic Development and the
3 Program Administrator, as specified in Administrative Code Section ~~66A.27~~ 66A.25.
4

5 APPROVED AS TO FORM:

6 LOUISE H. RENNE, City Attorney

7
8
9 By:



L. Joanne Sakai
Deputy City Attorney



City and County of San Francisco

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Tails Ordinance

File Number: 001969

Date Passed:

Ordinance amending and/or renumbering Sections 66A.2, 66A.3, 66A.4, 66A.6, 66A.7, 66A.8, 66A.9, 66A.10, 66A.12, 66A.13, 66A.14, 66A.15, 66A.16, 66A.17, 66A.18, 66A.19, 66A.20, 66A.21, 66A.22, 66A.23, 66A.24, 66A.26, 66A.27 and 66A.28 and repealing Sections 66A.11 and 66A.25 of Chapter 66A of the Administrative Code to conform to current practices and make technical corrections.

December 18, 2000 Board of Supervisors — AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

Ayes: 9 - Ammiano, Becerril, Bierman, Brown, Kaufman, Leno, Newsom, Yaki, Yee

Absent: 2 - Katz, Teng

December 18, 2000 Board of Supervisors — PASSED ON FIRST READING AS AMENDED

Ayes: 9 - Ammiano, Becerril, Bierman, Brown, Kaufman, Leno, Newsom, Yaki, Yee

Absent: 2 - Katz, Teng

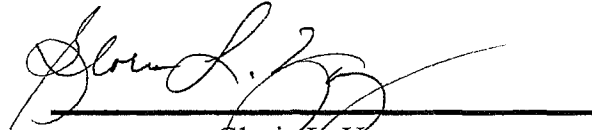
January 2, 2001 Board of Supervisors — FINALLY PASSED

Ayes: 10 - Ammiano, Becerril, Bierman, Katz, Kaufman, Leno, Newsom, Teng, Yaki, Yee

Absent: 1 - Brown

File No. 001969

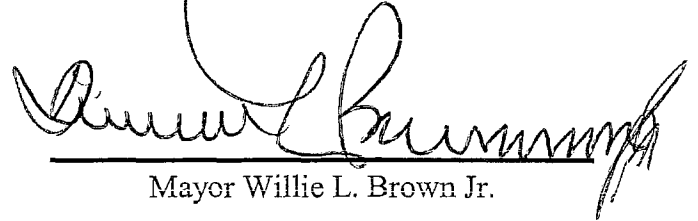
I hereby certify that the foregoing Ordinance
was **FINALLY PASSED** on January 2, 2001
by the Board of Supervisors of the City and
County of San Francisco.



Gloria L. Young
Clerk of the Board

JAN 12 2001

Date Approved



Mayor Willie L. Brown Jr.