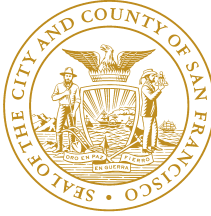


City & County of San Francisco
London N. Breed, Mayor



Office of the City Administrator
Carmen Chu, City Administrator
Brian Strong, Chief Resilience Officer & Director,
Office of Resilience and Capital Planning

December 04, 2023

Dear State Hazard Mitigation Officer,

The City and County of San Francisco is requesting a Scope of Work Modification for DR-4488 PA-17 Downtown San Francisco Resilience Plan.

- **Justification:** We are requesting a modification, because Downtown San Francisco stakeholders continue to be focused on economic recovery from the Covid-19 pandemic and resulting economic conditions. As such, it is a difficult time to engage stakeholders on creating a long-term plan for earthquakes and flooding. A more timely and useful planning-related activity that would improve Downtown seismic resilience is developing a financing strategy guidance document for retrofitting vulnerable concrete buildings under the proposed Concrete Building Safety Program's retrofit ordinance. The biggest and most daunting barrier to enacting a mandatory concrete building retrofit ordinance is the steep cost at a time when some building owners are struggling with current economic conditions, including high interest rates and high vacancy. Non-ductile concrete buildings are particularly concentrated in the Downtown neighborhoods, which have been hard hit by the Covid-19 pandemic and remote work. Having a robust financing strategies planning guidance will address that challenge head-on by identifying recommended policy interventions that the City can pursue to support building owners in financing these retrofits. It can also encourage building owners who may not have experience with significant capital projects by providing an improved understanding of their financing options.
- **Current status of activities:** 0%
- **Status of schedule:** The original schedule was to be completed by 11/1/24. The scope modification will impact the schedule. The updated project schedule requires 18 months from time of modification approval. Given the Period of Performance end date is 11/24/2024, a Time Extension Request (TER) will be required.
- **Potential impacts for Environmental Planning and Historic Presentation (EHP) review:** None as this is a planning-related activity.

Thank you for considering this modification request.

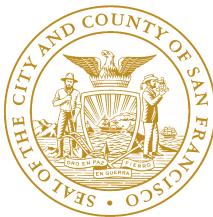
Sincerely,

DocuSigned by:

29F685F52744450
Mary Ellen Carroll
Director, Department of Emergency Management

Attachments:

- Updated Scope of Work
- Updated Cost Estimate and Cost Estimate Narrative
- Updated Match Letter



Updated Scope of Work for DR 4558 PA-17

The following is a Scope of Work for the City and County of San Francisco to develop a planning guidance document for local policy makers and building owners that addresses end-to-end financing strategies for earthquake risk reduction through the City and County's Concrete Building Safety Program, a proposed mandatory retrofit program (pending introduction and adoption of ordinance). There are two primary objectives for developing a financing strategies guidance document for the Concrete Building Safety Program:

- Inform City policy makers of policy interventions and other programmatic actions complementary to a retrofit ordinance (e.g., special tax district, development incentives, loan loss reserve fund) that would increase access to capital and make retrofits more financially feasible for building owners;
- Increase building owners' understanding of available financing options, especially for those who haven't previously undertaken a major capital improvement project.

The project will be accomplished through the following tasks:

1. Project Management and Consultant Selection

This task includes staff time to develop and issue a Request for Proposals (RFP), select consultant, and enter into contract. This task also includes staff time to hold a project kick-off meeting with the consultant, manage the consultant, coordinate staff participation in the project, and organize agency review of deliverable.

2. Risk and Economic Benefits Analysis

The first step will be for the consultant to work with the draft inventory of concrete buildings to identify building archetypes that represent common concrete building structural building types in San Francisco. One archetype would be rigid-wall-flexible-diaphragm buildings. Non-ductile concrete buildings would most likely require 5-10 different archetypes. For example, one non-ductile concrete archetype would be concrete moment frame buildings, which was a common construction type in the 60s and 70s that is known to be vulnerable in earthquakes.

The next step will be to develop a probabilistic risk assessment using Hazus or FEMA P-58 to be able to quantify the benefits of retrofits at the proposed performance criteria, including avoided damages, casualties, and business or critical service interruption. The consultant would quantify to which stakeholders the benefits accrue. Building owners bear almost all of the cost of a retrofit but receive a portion of the benefit. Other beneficiaries may include: lenders, insurers, taxing authorities, tenants, and even neighboring building owners.

3. *Financing Strategies*

The next step would be to use the analysis above to identify and analyze financing strategies for different archetypal concrete buildings common to San Francisco. The analysis will identify what cost-sharing mechanisms exist for other stakeholders and to what extent other stakeholders would be willing to pay for the benefits of more resilient concrete buildings. The types of financing strategies to be explored could include public subsidy (grants, tax rebates, below market financing, tax increment financing), lower insurance premiums, lower lending rates, and tenant cost pass through. The consultant should identify which financing strategies are most appropriate for which uses (e.g., residential or commercial) and for which types of costs (soft costs or constructions).

The consultant will also analyze under what circumstances building replacement/ property redevelopment would be a financially advantageous alternative to retrofitting. The consultant will identify incentives, such as density bonuses or other policies, that would support the financial feasibility of achieving compliance with the draft retrofit ordinance through building replacement. This task would be accomplished through case studies, literature review, and expert interviews.

4. *Guidance Document*

The information obtained will be prepared in a financing strategy planning guidance document to be shared with members of the local community, including policy makers, building owners, developers, tenant rights advocates, small business advocates for decision-making awareness. The document will be produced in web and print formats.

5. *Project Close out*

This task includes the completion of project close out meetings with the consultant and capturing lessons learned. It also includes the transfer and filing of all data, reports, and documentation.

8. Cost Estimate Narrative – Modification

Detailed Cost Estimate:

Position Title	Senior Resilience Analyst (PM)	Consultant Fees	
Code	1823		
Direct Cost Rate + Benefits	\$ 86.56		
Item Name			Total Cost
Project Management and Consultant Selection	250	\$ -	\$ 21,641
Risk and Economic Benefits Analysis	0	\$ 135,000	\$ 135,000
Financing Strategies	0	\$ 80,000	\$ 80,000
Guidance Document	0	\$ 12,000	\$ 12,000
Project Close out	20	\$ 2,373	\$ 4,103
Total	260	\$ 229,373	\$ 252,744

Staff roles:

Laurel Mathews, Senior Resilience Analyst from the Office of Resilience and Capital Planning is serving as the Project Manager (PM) for this effort. The staff listed on the detailed cost estimate will lead and manage the work of this project and oversee the selected consultants. This Office of Resilience and Capital Planning is the lead agency responsible for the Concrete Building Safety Program and the City's Local Hazard Mitigation Plan. They will also ensure coordination between this project and other hazard mitigation and resilience projects in the Downtown area. The hourly rate for this staff with benefits is \$86.56.

Description of Cost Items:

1. Project Management and Consultant Selection: This task includes 250 hours for the Senior Resilience Analyst to procure a consultant, oversee the consultant, coordinate staff or other key stakeholder participation in the project, and organize review of deliverables. Estimated staff time is \$21,641.
2. Risk and Economic Benefits Analysis: This task includes consultant fees to identify archetype concrete buildings in San Francisco, develop a probability risk analysis using Hazus of FEMA P-58, quantify the benefits of retrofits at the proposed performance criteria, and identify to which stakeholder benefits accrue. The estimated consultant fee for this task is \$135,000.

3. Financing Strategies: This task includes consultant fees to identify and analyze financing strategies for different types of concrete buildings common to San Francisco. The consultant will also analyze under what circumstances building replacement would be a financially advantageous alternative. This task would be accomplished through case studies, literature review, and expert interviews. The estimated consultant fee for this task is \$80,000.
4. Guidance Document: This task includes consultant fees to pull together the analyses in the above tasks into an easy to understand guidance document for decision-makers, building owners, and other key program stakeholders. The estimated consultant fee for this task is \$12,000.
5. Project Close Out: This task includes staff time and consultant fees to capture lessons learned, and transfer and file all data and documentation. Estimated cost of staff time is \$1,731. Estimate consultant fee is \$2,373.

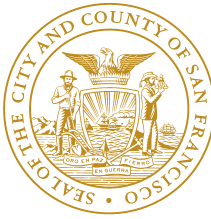
Total Project Cost: \$252,744

HMGP Cost Estimate Spreadsheet

DATE	JURISDICTION NAME	DISASTER & PROJECT OR PLANNING #	PROJECT OR PLANNING TITLE
11/20/2023	San Francisco, City and County	DR-4558, PA-0017	Downtown San Francisco Resilience Plan

#	Item Name	Unit Quantity	Unit of Measure	Unit Cost	Cost Estimate Total
1	Staff time	270	HR	\$ 86.56	\$ 23,371
2	Consultant fees	1	EA	\$ 229,373.00	\$ 229,373
3					\$ -
4					\$ -
5					\$ -
6					\$ -
7					\$ -
8					\$ -
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33					\$ -
34					\$ -
35					\$ -
36					\$ -
37					\$ -
38					\$ -
39					\$ -
40					\$ -
Total Project Cost Estimate:					\$ 252,744

City & County of San Francisco
London N. Breed, Mayor



Office of the City Administrator
Carmen Chu, City Administrator
Brian Strong, Chief Resilience Officer & Director,
Office of Resilience and Capital Planning

LOCAL MATCH FUND COMMITMENT LETTER

December 4, 2023

San Francisco, City and County
1 Dr. Carlton B Goodlett Place
Room 347
San Francisco, CA, 94102

Re: DR-4558 PA-0017 Subapplication Funding Match Commitment Letter

Dear State Hazard Mitigation Officer:

As part of the Hazard Mitigation Grant Program process, a local funding match of at least 25% is required. This letter serves as San Francisco, City and County's commitment to meet the local match fund requirements for the Hazard Mitigation Grant Program.

SOURCE OF NON-FEDERAL FUNDS:

LOCAL
AGENCY
FUNDING

OTHER
AGENCY
FUNDING

PRIVATE
NON-PROFIT
FUNDING

STATE
AGENCY
FUNDING

NAME OF FUNDING SOURCE:

General Fund

FUNDS AVAILABILITY DATE:

12/04/2023

PROVIDE EXACT MONTH/DATE/YEAR OF AVAILABILITY OF FUNDS

FEDERAL SHARE AMOUNT REQUESTED:

\$189,558

MUST MATCH \$ AMOUNT PROVIDED IN SUBAPPLICATION

LOCAL SHARE AMOUNT MATCH:

\$63,186

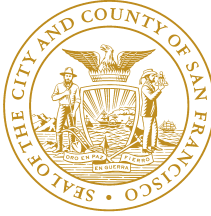
MUST EQUAL A MINIMUM OF THE 25% FEDERAL SHARE REQUESTED

FUNDING TYPE:

Consulting Fees

EXAMPLES: ADMINISTRATION, CASH, CONSULTING FEES, ENGINEERING FEES, FORCE ACCOUNT LABOR, AGENCY PERSONNEL, PROGRAM INCOME, ETC.

City & County of San Francisco
London N. Breed, Mayor



Office of the City Administrator
Carmen Chu, City Administrator
Brian Strong, Chief Resilience Officer & Director,
Office of Resilience and Capital Planning

If additional federal funds are requested, an additional local match fund commitment letter will be required.

Please contact Brian Strong at 510-220-0771, Brian.Strong@sfgov.org with questions.

Sincerely,

DocuSigned by:

Mary Ellen Carroll

29F685F5254A4F0...

Mary Ellen Carroll

Director, Department of Emergency Management

Maryellen.Carroll@sfgov.org