

File No. 100581

Committee Item No. 1

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Sub - Committee: Budget and Finance

Date: June 2, 2010

Board of Supervisors Meeting

Date: _____

Cmte Board

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Completed by: Andrea S. Ausberry

Date Friday, May 28, 2010

Completed by: _____

Date _____

An asterisked item represents the cover sheet to a document that exceeds 25 pages. The complete document is in the file.

1 [General Obligation Bonds - Earthquake Safety Retrofit Loan Program General Obligation
2 Bonds 2010]

3
4 **Resolution determining and declaring that the public interest and necessity demand**
5 **the construction, improvement and seismic retrofitting of multi-story wood framed**
6 **affordable housing soft-story buildings for earthquake safety funded by the City or**
7 **other qualified governmental housing finance agency, or owned by private third-parties**
8 **and the payment of related costs necessary or convenient for the foregoing purposes;**
9 **finding that the estimated cost of \$39,140,000 for such improvements is and will be too**
10 **great to be paid out of the ordinary annual income and revenue of the City and County**
11 **and will require incurring bonded indebtedness; finding that a portion of the proposed**
12 **bond is not a project under the California Environmental Quality Act (CEQA) and**
13 **adopting findings under CEQA, CEQA Guidelines, and San Francisco Administrative**
14 **Code Chapter 31 for the remaining portion of the proposed bond; finding the proposed**
15 **bond is in conformity with the priority policies of Planning Code Section 101.1(b) and**
16 **with the General Plan consistency requirement of Charter Section 4.105 and**
17 **Administrative Code Section 2A.53; and waiving the time limits set forth in**
18 **Administrative Code Section 2.34.**

19
20 WHEREAS, The Working Group on California Earthquake Probabilities (a collaborative
21 effort of the United States Geological Survey (the "U.S.G.S."), the California Geological
22 Society and the Southern California Earthquake Center) estimates a 63% chance that one or
23 more earthquakes of a magnitude of 6.7 or larger will occur in the Bay Area before the year
24 2038, and that a magnitude 7 earthquake occurring today on the Hayward Fault would likely
25 cause hundreds of deaths and almost \$100 billion in damage; and,

1 WHEREAS, A large magnitude earthquake would damage buildings and structures in
2 the City and County of San Francisco (the "City"), including certain buildings and structures
3 consisting of multi-story wood frame buildings (referred to therein as soft-story buildings)
4 thereby resulting in a significant displacement of San Francisco citizens; and,

5
6 WHEREAS, The San Francisco Department of Building Inspections caused to be
7 prepared a report dated February 2009 entitled "Here Today--Here Tomorrow: Earthquake
8 Safety for Soft Story Buildings" (the "Report"), which Report made several recommendations
9 to mitigate the potential damage and destruction to multi-story wood-frame buildings
10 constructed on or before 1974, including the initiation of a program to finance the costs of
11 seismic retrofits to such soft story buildings that are at risk for major damage and collapse
12 during an earthquake; and,

13 WHEREAS, The Report estimated that approximately one-third of soft story buildings
14 would be expected to collapse after a major seismic event on the San Andreas fault; and,

15 WHEREAS, The Mayor Office of Housing, the San Francisco Redevelopment Agency,
16 and the U.S. Department of Housing and Urban Development and other governmental
17 housing financing agency funds 125 affordable housing multi-story structures (the "Public
18 Buildings") that have large perimeter wall openings and which, therefore, are potentially at
19 significant risk of substantial damage and destruction during an earthquake; and,

20 WHEREAS, In addition, there are up to 31 potential soft story buildings containing
21 single room occupancy units owned by private parties (the "Private Buildings"), and such
22 buildings are at significant risk for substantial damage and destruction during an earthquake
23 (the Public Buildings and the Private Buildings are referred to collectively herein as the "Soft
24 Story Buildings"). Seismic retrofits to the Soft Story Buildings would mitigate the damage to
25

1 such structures during an earthquake and keep vulnerable San Franciscans in their houses
2 thereby reducing the post-earthquake shelter needs; and,

3 WHEREAS, Mitigating the number of collapse structures after an earthquake could
4 lead to a reduced demand on emergency services in the period immediately following a major
5 seismic event; and,

6 WHEREAS, The Earthquake Safety Retrofit Loan Program General Obligation Bond
7 (the "Bond") will be used to establish loan programs to pay the costs to seismically retrofit up
8 to 125 affordable housing soft story buildings funded by the Mayor Office of Housing, the San
9 Francisco Redevelopment Agency, the U.S. Department of Housing and Urban Development
10 or other governmental housing finance agencies, and to provide loans for up to 31 buildings
11 containing single room occupancy units owned by private parties; and,

12 WHEREAS, The Board recognizes the need to safeguard and enhance the City's
13 earthquake and emergency response and recovery by retrofitting buildings and reducing the
14 potential resident displacement, and that such efforts constitute a public purpose resulting in
15 significant public benefits; now, therefore, be it

16 RESOLVED, By the Board as follows:

17 Section 1. The Board determines and declares that the public interest and necessity
18 demand the retrofit and seismic upgrade of Soft-Story Buildings and the payment of related
19 costs necessary or convenient for the foregoing purposes, and that such efforts constitute a
20 public purpose resulting in significant public benefits.

21 Section 2. The estimated cost of \$39,140,000 of the Bond is and will be too great to be
22 paid out of the ordinary annual income and revenue of the City, will require an expenditure
23 greater than the amount allowed by the annual tax levy, and will require the incurrence of
24 bonded indebtedness in an amount not to exceed \$39,140,000.

1 Section 3. The Board, having reviewed the proposed legislation, and that certain letter
2 from the Planning Department, dated _____, a copy of which is on file with
3 the Clerk of the Board in File No. 100581 and incorporated by reference makes the following
4 findings in compliance with the California Environmental Quality Act ("CEQA"), California
5 Public Resources Code Sections 21000 et seq., the CEQA Guidelines, 15 Cal. Administrative
6 Code Sections 15000 et seq., ("CEQA Guidelines"), and San Francisco Administrative Code
7 Chapter 31 ("Chapter 31"), finds that the bond proposal as it relates to funds for soft-story
8 buildings is not subject to CEQA because as the establishment of a government financing
9 mechanism that does not identify individual specific projects to be constructed with the funds,
10 it is not a project as defined by CEQA and the CEQA Guidelines. The use of bond proceeds
11 to finance any project or portion of any project with funds for the soft story buildings will be
12 subject to approval of the Board upon completion of planning and any further required
13 environmental review under CEQA for the individual soft story projects.

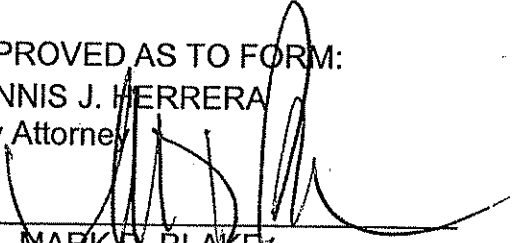
14 Section 4. The Board finds and declares that the proposed Bond is (i) in conformity
15 with the priority policies of Section 101.1(b) of the San Francisco Planning Code, (ii) in
16 accordance with Section 4.105 of the San Francisco Charter and Section 2A.53(f) of the
17 San Francisco Administrative Code, and (iii) consistent with the City's General Plan, and
18 adopts the findings of the Planning Department, as set forth in the General Plan Referral
19 Report dated _____, 2010, a copy of which is on file with the Clerk of the Board in File
20 No. 100581 and incorporates such findings by reference.

21 Section 5. The time limit for approval of this resolution specified in Section 2.34 of the
22 San Francisco Administrative Code is waived.

23 Section 6. Documents referenced in this resolution are on file with the Clerk of the
24 Board of Supervisors in File No. 100581, which is hereby declared to be a part of this
25 resolution as if set forth fully herein.

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APPROVED AS TO FORM:
DENNIS J. HERRERA
City Attorney

By: 
MARK D. BLAKE
Deputy City Attorney

Item 1 File 10-0581	Department(s): Mayor's Office of Housing (MOH)
<p>Note:</p> <p>A separate ordinance (File 10-0580) related to the proposed resolution was introduced on May 11, 2010 and is currently pending before the Budget and Finance Committee. The pending ordinance (File 10-0580) cannot be considered by the Board of Supervisors until June 12, 2010, pursuant to the City's Municipal Election Code Section 305(a)1. That pending ordinance, which is a companion measure to the proposed resolution, would call for a special election on November 2, 2010 to submit a proposition to San Francisco voters to authorize up to \$39,140,000 in Earthquake Safety Retrofit Loan Program General Obligation Bonds in order to provide for seismic retrofits to seismically vulnerable affordable housing buildings.</p>	
EXECUTIVE SUMMARY	
Legislative Objective	
<ul style="list-style-type: none"> • <u>File 10-0581</u>: Resolution declaring that public interest and necessity demand the seismic retrofitting of seismically vulnerable affordable housing buildings, and finding that the \$39,140,000 in estimated costs would be too great to be paid out of the ordinary annual income and revenues of the City and will require the issuance of General Obligation Bonds. 	
Fiscal Impacts	
<ul style="list-style-type: none"> • The proposed resolution, in and of itself, has no fiscal impact. • The proposed issuance¹ of up to \$39,140,000 in Earthquake Safety Retrofit Loan Program General Obligation Bonds would provide for the retrofit of seismically vulnerable affordable housing buildings, including (a) \$38,100,000 in retrofit costs, and (b) \$1,040,000 in bond financing costs. • The \$39,140,000 in Earthquake Safety Retrofit Loan Program General Obligation Bonds would be repaid through an increase in annual Property Taxes of approximately \$0.001365 per \$100 of assessed value, such that a single family residence assessed at \$500,000, assuming a homeowners exemption of \$7,000, would pay average additional Property Taxes of \$6.73 per year to the City. The pending ordinance (File 10-0580), noted above, does not provide authority for landlords to pass-through any portion of the Property Tax increase which would result from the proposed bond issuance to residential tenants. 	
Key Points	
<ul style="list-style-type: none"> • Mr. Jason Elliott, Policy Advisor in the Office of the Mayor, estimates there are up to 156 affordable housing buildings which may be in need of seismic retrofits, including (a) up to 125 buildings which have received City or Federal funding to provide affordable housing, and (b) up to 31 single-room occupancy (SRO) buildings. These buildings are considered seismically vulnerable because they (a) have a wood frame rather than a steel frame, and (b) include a "soft-story", which means the first floor has exterior walls with large openings and a 	

¹ Although the proposed resolution (File 10-0851) does not reference a bond issuance, this report refers to a "proposed" bond issuance because the proposed resolution is directly related to the pending ordinance (File 10-0850), noted above, which would provide bond authority of up to \$39,140,000.

reduced number of interior walls (typically due to retail or parking use).

- According to Mr. Elliott, the City would provide retrofit funding to property owners through a new loan program to be established by the Mayor's Office of Housing (MOH), in which the borrower (property owner) would not be required to repay the loan unless the borrower reduced the number of affordable units or reduced the affordability of such housing units.
- Mr. Elliott stated that MOH would charge loan fees to the property owner to cover the cost of administering the loan program and inspecting the properties to ensure that the retrofits are completed.
- According to Mr. Elliott, the actual issuance of such General Obligation Bonds would occur only after the new loan program is established and the specific buildings to be retrofitted and the cost of such specific retrofits are known. The actual issuance and sale of the proposed bonds would be subject to future separate Board of Supervisors approval.
- Because most affordable housing buildings include both affordable units and market rate units, the proposed loan program would fund capital improvements which would benefit market rate housing as well as affordable housing. Mr. Elliott noted that it is not possible to seismically retrofit only a portion of a building, such that in order to provide seismic reliability for affordable housing units it is necessary to also provide seismic reliability for the market rate units which are in the same building.

Recommendations

- In order to accurately reflect that the fact that the loan amounts are generally not to be repaid by the property owners, amend the proposed resolution to replace the term "loan" with some other appropriate term which indicates that repayment is not expected.
- Because the proposed resolution would require the issuance of General Obligation Bonds to fund capital improvements to privately-owned property, the Budget and Legislative Analyst considers approval of the proposed resolution, as amended, to be a policy matter for the Board of Supervisors.

MANDATE STATEMENT / BACKGROUND

Mandate Statement

Article VII of the City's Administrative Code states that in order to submit a proposition to issue General Obligation Bonds to the voters of San Francisco, the Board of Supervisors must approve a resolution finding (a) that public interest and necessity demands the acquisition, construction, or completion of the capital improvements to be funded by the proposed General Obligation Bond issuance, and (b) that the cost of such capital improvements would be too great to be paid out of the ordinary annual income and revenues of the City and therefore would require the issuance of General Obligation Bonds. Subsequently, the Board of Supervisors must also approve an ordinance calling for a special election to submit such a General Obligation Bond proposition to the voters.

The proposed resolution would find that public interest and necessity demand the seismic retrofit of affordable housing buildings and that the cost of such retrofits would be too great to be paid out of the ordinary annual income and revenues of the City and therefore requires the issuance of General Obligation Bonds.

Section 2.34 of the City's Administrative Code requires that (a) the resolution declaring public interest and necessity as described above, be adopted no less than 141 days prior to the election which includes the relevant bond proposition, and (b) a subsequent ordinance ordering a special election, be adopted no less than 99 days prior to the election. The proposed resolution would waive the timing requirements of Section 2.34 of the Administrative Code.

Background

According to Mr. Jason Elliott, Policy Advisor in the Office of the Mayor, there are approximately 4,400 soft-story wood-frame buildings in the City which are particularly vulnerable during earthquakes and more susceptible to collapse. A building is considered to have a "soft-story" if the first floor has exterior walls with large openings (typically due to windows or garage doors) and a reduced number of interior walls (typically due to retail or parking use).

According to Mr. Elliott, as part of the Department of Building Inspection's (DBI) Community Action Plan for Seismic Safety Project and subsequent to a competitive Request for Proposal process, in April of 2008, DBI awarded a \$928,716 contract² to Applied Technology Council, a nonprofit organization, to perform an analysis of soft-story wood-frame buildings in the City to include an evaluation of the range of vulnerabilities, development of potential seismic retrofit options, and estimated costs for such seismic retrofit options.

On February 19, 2009, Applied Technology Council published their report entitled "Here Now – Here Tomorrow" which (a) estimated the average construction cost to seismically retrofit soft-story wood frame buildings at \$93,000 per building, and (b) recommended the City create new programs and incentives to provide for seismic retrofits to soft-story wood-frame buildings.

According to Mr. Elliott, the Mayor is pursuing multiple programs to address the need for seismic retrofits to soft-story wood-frame buildings including (a) the waiver of building fees and waiver of other City fees for voluntary seismic retrofits (previously approved by the Board of Supervisors on March 16, 2010 in File 09-1113), (b) the subject proposed issuance of up to \$39,140,000 in General Obligation Bonds to fund retrofits to soft-story wood frame buildings which include affordable housing units, (c) the creation, subject to approval by the Board of Supervisors in separate future legislation, of a special taxing district which property owners could choose to join in order to finance seismic retrofits, and (d) an ordinance, subject to Board of Supervisors approval in separate future legislation, to require all owners of soft-story wood-frame buildings with five or more housing units and three or more floors to seismically retrofit their buildings.

² The \$928,716 (original award amount of \$744,716 plus an amendment to increase the amount by \$184,000) contract with the Applied Technology Council was not subject to Board of Supervisors approval because it did not exceed the \$10,000,000 threshold established in Charter Section 9.118b.

Related Separate Legislation

The proposed resolution (File 10-0581) would declare that public interest and necessity demand the seismic retrofitting of seismically vulnerable affordable housing buildings, and that the \$39,140,000 estimated cost of such retrofits would be too great to be paid out of the ordinary annual income and revenues of the City and will require the issuance of General Obligation Bonds.

A separate ordinance (File 10-0580) related to the proposed resolution was introduced on May 11, 2010 and is currently pending before the Budget and Finance Committee. The pending ordinance (File 10-0580) cannot be considered by the Board of Supervisors until June 12, 2010, pursuant to the City's Municipal Election Code Section 305(a)1. That pending ordinance, which is a companion measure to the proposed resolution, would call for a special election on November 2, 2010 to submit a proposition to San Francisco voters to authorize up to \$39,140,000 in Earthquake Safety Retrofit Loan Program General Obligation Bonds in order to provide for seismic retrofits to seismically vulnerable affordable housing buildings.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would declare that public interest and necessity demand the seismic retrofitting of seismically vulnerable affordable housing buildings, and that the \$39,140,000 estimated cost of such retrofits would be too great to be paid out of the ordinary annual income and revenues of the City and will require the issuance of General Obligation Bonds.

According to Mr. Elliott, the City would provide retrofit funding to property owners through a new loan program to be established by the Mayor's Office of Housing, under which the loan amounts are not to be repaid by the property owner unless the property owner reduces the affordability of the building.

Loan Program

Through the new loan program's application process, the Mayor's Office of Housing would review (a) the building's eligibility for the program to verify that the building is seismically vulnerable and that the building provides affordable housing, and (b) the estimated cost to retrofit the property owner applicant's specific building. If approved, the applicant would receive funds in the amount of the estimated retrofit cost.

Under such a new loan program, the property owner (borrower) would not be required to repay the loan unless the borrower reduced the number of affordable units or reduced the affordability levels of such housing units. Therefore, repayment of such loaned funds is only designed to be a penalty for borrowers that reduce affordability of their units, and is not a requirement of the loan program. However, the Budget and Legislative Analyst notes that if the property owner maintains the affordability of the units, the full costs for individual property owners to retrofit their affordable housing buildings would be borne by all San Francisco property owners through increases in the Property Tax rate (see Fiscal Impact Section below).

Mr. Elliott could not provide an estimate for (a) the cost to administer such a loan program, or (b) the cost to inspect properties to ensure the required retrofits are completed. Mr. Elliott stated

that the Mayor's Office of Housing intends to offset all administrative costs by charging loan fees to loan recipients.

Total Funds Available

Although the specific buildings to be retrofitted are not currently known, Mr. Elliott estimates that there are up to 156 privately-owned soft-story wood-frame buildings which include affordable housing units that are in need of seismic retrofits, including (a) up to 125 buildings which have received City or Federal funding³ to provide affordable housing and maintain contractual obligations with the City or the Federal government to maintain such affordable housing units, and (b) up to 31 single-room occupancy (SRO) buildings.

Mr. Elliott stated that the bond issuance in a not-to-exceed amount of \$39,140,000 is designed to provide sufficient funds to retrofit the currently estimated 156 affordable housing buildings, based on an average estimated retrofit cost calculated in the Applied Technology Council report discussed above (see Footnotes 4 and 5 for a discussion on the average retrofit cost calculations). As shown in Table 1 below, the proposed bond issuance would fund (a) \$38,100,000 in project costs for the retrofit of up to 156 buildings, and (b) \$1,040,000 in financing costs.

Table 1: Uses of Bond Funds

Project Costs	
Retrofits for Up to 125 Affordable Housing Buildings ⁴	\$34,400,000
Retrofits for Up to 31 Single Room Occupancy Buildings ⁵	3,700,000
Subtotal Project Costs	\$38,100,000
Financing Costs	
Underwriter's Discount	195,700
Costs of Issuance	805,160
General Obligation Bond Oversight Committee	39,140
Subtotal Financing Costs	\$1,040,000
Total	\$39,140,000

³ Mr. Elliott stated that such funding is provided through either (a) the Mayor's Office of Housing, (b) the San Francisco Redevelopment Agency, or (c) the U.S. Department of Housing and Urban Development.

⁴ According to Mr. Elliott, the total estimated retrofit cost for affordable housing buildings is actually \$34,396,500, not \$34,400,000 as shown in Table 1 above. Mr. Elliott stated that because the actual retrofit cost per building will vary based on the actual building conditions, the estimated cost of \$34,396,500 was rounded to \$34,400,000. The total unrounded estimated cost for the 125 buildings was calculated based on a per building average retrofit cost of \$275,172 including (a) \$93,000 in construction costs for seismic improvements as calculated in the Applied Technology Council's report, (b) \$27,900 to provide improvements required by the Americans with Disabilities Act, and (c) \$154,272 in soft costs (engineering, surveying, legal, and other associated costs).

⁵ According to Mr. Elliott, the total estimated retrofit cost for Single Room Occupancy buildings is actually \$3,747,900, not \$3,700,000 as shown in Table 1 above. Mr. Elliott stated that because the actual retrofit cost per building will vary based on the actual building conditions, the estimated cost of \$3,747,900 was rounded to \$3,700,000. The total unrounded estimated cost for the 31 buildings was calculated based on a per building average retrofit cost of \$120,900 including (a) \$93,000 in construction costs for seismic improvements as calculated in the Applied Technology Council's report, and (b) \$27,900 to provide improvements required by the Americans with Disabilities Act. According to Mr. Elliott, soft costs were not included for SRO retrofits because municipal bond proceeds cannot be used to finance soft costs for improvements to buildings which do not have a contractual agreement with the City or HUD to provide affordable housing.

FISCAL IMPACT

According to Ms. Nadia Sesay, Director of the Controller's Office of Public Finance, the proposed not-to-exceed \$39,140,000 in General Obligation bonds would be issued for a term of 20 years at an interest rate of approximately 7.0 percent⁶. Debt service on the proposed bonds would total approximately \$72,807,931, including \$39,140,000 in principal and \$33,667,931 in interest, for average debt service of \$3,640,397 over the 20 year term of the bonds.

Such debt service would be repaid through an increase in annual Property Taxes of approximately \$0.001365 per \$100 of assessed value. Therefore a single family residence assessed at \$500,000, assuming a homeowners exemption of \$7,000, would pay average additional Property Taxes of \$6.73 per year to the City ($\$500,000 \text{ less } \$7,000 \div \$100 \times \0.001365). The pending separate ordinance does not provide authority for landlords to pass-through any portion of the Property Tax increase which would result from the proposed bond issuance to residential tenants.

POLICY CONSIDERATIONS

The buildings which would receive funds from the proposed bond issuance have not yet been identified.

As discussed above, the specific buildings which would benefit from the proposed bond issuance have yet to be determined. Mr. Elliott stated that (a) bonds would only be issued after eligible buildings have been identified by the Mayor's Office of Housing for seismic retrofits, and (b) only that portion of the total proposed not-to-exceed bond authority of \$39,140,000 needed to cover the retrofit cost of specific buildings would be issued.

The Budget and Legislative Analyst notes that the proposed bond proposition would provide the City with bond authority not-to-exceed \$39,140,000 in General Obligation Bonds, but the actual issuance of such bonds would still be subject to future approval by the Board of Supervisors.

The seismic retrofits provided by the proposed bond issuance would benefit affordable housing units as well as market rate housing.

According to Mr. Elliott, the affordable housing buildings, which have received City or Federal financial support and would be eligible for further financial support under the proposed bond issuance, often include some market rate units. The proposed seismic retrofits would apply to the entire building, such that the proposed bond issuance would benefit those market rate units in addition to affordable housing units.

⁶ Ms. Sesay noted that because the capital improvements would apply to privately owned property, some portion of the proposed General Obligation bonds would be taxable bonds, and could therefore incur a higher interest rate than the typically tax-exempt bonds issued by the City.

Mr. Elliott stated it is not possible to seismically reinforce a specific housing unit within a building, such that all units in the building, including both affordable housing units and market rate units would benefit from the proposed seismic retrofits.

The name of the proposed resolution refers to a “loan” program, but, as discussed above, these “loans” are generally not expected to be repaid.

As discussed above, the repayment of such loaned funds is not required (unless the affordability of the property is reduced), therefore, in order to more accurately reflect the fact that the loan amounts are generally not to be repaid by the property owners, the Budget and Legislative Analyst recommends amending the proposed resolution to replace the term “loan,” with some other appropriate term which indicates that repayment is not expected.

RECOMMENDATIONS

1. Amend the proposed resolution to replace the term “loan” with some other appropriate term which indicates that repayment is not expected.
2. Because the proposed resolution would require the issuance of General Obligation Bonds to fund capital improvements to privately-owned property, the Budget and Legislative Analyst considers approval of the proposed resolution, as amended, to be a policy matter for the Board of Supervisors.



TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: Mayor Gavin Newsom
RE: Earthquake Safety Retrofit Loan Program General Obligation Bond, 2010 Election
DATE: May 11, 2010

Dear Madame Clerk:

Attached for introduction to the Board of Supervisors are copies of the following legislation:

- 1005801) Ordinance calling and providing for a special election to be held in the City and County of San Francisco on Tuesday, November 2nd 2010, for the purpose of submitting to the voters of the City and County of San Francisco a proposition to authorize general obligation bonded indebtedness of the City and County in the Amount of Thirty Nine Million One Hundred and Forty Thousand Dollars (\$39,140,000) to provide loans to pay the costs of seismic retrofits to multi-story wood structures that are at significant risk of substantial damage and collapse during an earthquake, finding that the estimated cost of such proposed project is and will be too great to be paid out of the ordinary annual income and revenue of the City and County and will require expenditures greater than the amount allowed therefore by the annual tax levy; reciting the estimated cost of such proposed project; fixing the date of election and the manner of holding such election and the procedure for voting for or against the proposition; fixing the maximum rate of interest on such bonds and providing for the levy and collection of taxes to pay both principal and interest thereof; prescribing notice to be given of such election; finding that the proposed bond is not a project under the California Environmental Quality Act; finding that the proposed project is in conformity with the priority policies of Planning Code Section 101.1(b) and with the General Plan consistency requirement of Administrative Code Section 2A.53; consolidating the special election with the general election on the same date; establishing the election precincts, voting places and officers for the election; waiving the word limitation on ballot propositions imposed by San Francisco Municipal Elections Code Section 510; complying with Section 53410 of the California Government Code; incorporating the provisions of Article V of Chapter V of the San Francisco Administrative Code; and waiving the time requirements specified in Section 2.34 of the San Francisco Administrative Code.
- 1005801/2) Resolution determining and declaring that the public interest and necessity demand the construction, improvement and seismic retrofitting of multi-story wood framed affordable housing soft-story buildings for earthquake safety funded by the City or other qualified governmental housing finance agency, or owned by private third-parties and the payment of related costs necessary or convenient for the foregoing purposes; finding that the estimated cost of \$39,140,000 for such improvements is and will be too great to be paid out of the ordinary annual income and revenue of the City and County and will require incurring bonded indebtedness; finding that a portion of the proposed bond is not a project under the California Environmental Quality Act ("CEQA") and adopting findings under CEQA, CEQA Guidelines, and San Francisco Administrative Code Chapter 31 for the remaining portion of the proposed bond; finding the proposed bond is in conformity with the priority policies of Planning Code Section 101.1(b) and with the General Plan consistency requirement of Charter Section 4.105 and Administrative Code Section 2A.53; and waiving the time limits set forth in Administrative Code Section 2.34.

I request that these items be calendared together in the Budget and Finance Sub-Committee.

Should you have any questions, please contact Starr Terrell (415) 554-5262.

