

File No. 130781

Committee Item No. 2

Board Item No. 18

## COMMITTEE/BOARD OF SUPERVISORS

### AGENDA PACKET CONTENTS LIST

Committee: Land Use and Economic Development Date September 16, 2013

Board of Supervisors Meeting Date September 24, 2013

#### Cmte Board

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| <input type="checkbox"/>            | <input type="checkbox"/>            | Budget and Legislative Analyst Report        |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Youth Commission Report                      |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Introduction Form                            |
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| <input type="checkbox"/>            | <input type="checkbox"/>            | Grant Information Form                       |
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| <input type="checkbox"/>            | <input type="checkbox"/>            | Award Letter                                 |
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Completed by: Alisa Miller Date September 13, 2013

Completed by: Alisa Miller Date September 17, 2013

1 [Administrative Code - Special Tax Financing Law]

2  
3 **Ordinance to amend the Administrative Code Special Tax Financing Law, constituting**  
4 **Article 43.10, to authorize financing by special tax districts of work deemed necessary**  
5 **to bring buildings or real property, including privately owned buildings or real property,**  
6 **into compliance with seismic safety standards or regulations, and related technical**  
7 **amendments; and to establish certain procedures by which the City can make changes**  
8 **to a special tax district.**

9 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.  
10 **Additions to Codes** are in *single-underline italics Times New Roman font*.  
11 **Deletions to Codes** are in ~~*italics Times New Roman font*~~.  
12 **Board amendment additions** are in Arial font.  
13 **Board amendment deletions** are in ~~Arial font~~.  
14 **Asterisks (\* \* \* \*)** indicate the omission of unchanged Code  
15 subsections or parts of tables.

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

17 Section 1. FINDINGS.

18 The Board of Supervisors of the City and County of San Francisco hereby finds,  
19 determines and declares:

20 A. In its Ordinance No. 66-13, the Board of Supervisors made certain findings,  
21 which findings are incorporated in their entirety herein, and amended the San Francisco  
22 Building Code to add Section 34B to establish seismic retrofit requirements intended to  
23 significantly reduce the collapse risk of residential buildings with critically vulnerable lower  
24 stories and to increase the likelihood that these buildings will be structurally safe to occupy  
25 shortly after an earthquake.

1 B. The Board of Supervisors intends to provide to owners of buildings in the City  
2 that are subject to a seismic retrofit requirement options for financing the work, including the  
3 ability to participate in a voluntary special tax financing program.

4 C. In order to provide the option of voluntary special tax financing for seismic  
5 retrofit work, the Board of Supervisors must make certain amendments to Article X of Chapter  
6 43 of the Administrative Code.

7 D. The Board of Supervisors previously established its "City and County of San  
8 Francisco Special Tax District No. 2009-1 (San Francisco Sustainable Financing)" (the  
9 "Special Tax District") for the purpose of financing and refinancing the acquisition, installation  
10 and improvement of energy efficiency, water conservation and renewable energy  
11 improvements to or on real property and in buildings, whether such real property or buildings  
12 are privately or publicly owned.

13 E. The Board of Supervisors wishes to amend the proceedings for the Special Tax  
14 District to allow the financing of seismic retrofit work required under Section 34B, and must  
15 make certain amendments to Article X of Chapter 43 of the Administrative Code to accomplish  
16 the proposed amendments to the Special Tax District proceedings.

17  
18 Section 2. Article X of Chapter 43 of the San Francisco Administrative Code is  
19 hereby amended as follows:

20 A. Section 43.10.15 is hereby amended as follows:

21 SEC. 43.10.15. AUTHORIZED FACILITIES.

22 In addition to the facilities that may be financed under the Act, special taxes may be  
23 levied and bonds may be issued to finance or refinance the acquisition, installation and  
24 improvement of energy efficiency, water conservation, water pollution control, and renewable  
25 equipment with an estimated useful life of five years or longer and/or energy efficiency, water

1 conservation, water pollution control, and renewable energy improvements that are attached  
2 to or on real property and in buildings, whether such real property or buildings are privately or  
3 publicly owned. Energy efficiency, water conservation, water pollution control and renewable  
4 energy improvements may only be installed on a privately owned building and on privately  
5 owned real property with the prior written consent of the owner or owners of the building or  
6 real property.

7 In addition to the Facilities that may be financed under the Act, special taxes may be levied and  
8 bonds may be issued to finance work deemed necessary to bring buildings or real property, including  
9 privately owned buildings or real property, into compliance with seismic safety standards or  
10 regulations. Only work certified as necessary to comply with seismic safety standards or regulations by  
11 local building officials may be financed. No project involving the dismantling of an existing building  
12 and its replacement by a new building, nor the construction of a new or substantially new building may  
13 be financed pursuant to this subparagraph. Work on qualified historical buildings or structures shall be  
14 done in accordance with the State Historical Building Code (Part 2.7 (commencing with Section  
15 18950) of Division 13 of the Health and Safety Code). Work on privately owned property may only be  
16 financed with the prior written consent of the owner or owners of the privately owned property.

17 B. A new Title 5 is added to read as follows:

18 TITLE 5 - CHANGE PROCEEDINGS

19 SEC. 43.10.26. ALTERNATE PROCEDURE FOR CHANGE PROCEEDINGS

20 AFFECTING PROPERTY OWNERS.

21 With respect to a special tax district formed under Section 43.10.17, as an alternate and  
22 independent procedure for making the changes described in Section 53330.7 of the Act, the changes  
23 may be made with the unanimous approval of the owner or owners of the parcel or parcels that will be  
24 affected by the change and the written consent of the local agency. No additional hearings or  
25 procedures are required, and the unanimous approval shall be deemed to constitute a unanimous vote

1 in favor of the proposed changes. If the proceeds of a special tax are being utilized to retire any debt  
2 incurred pursuant to this chapter and the unanimous approval relates to the reduction of the special tax  
3 rate, the unanimous approval shall recite that the reduction or termination of the special tax would not  
4 interfere with the timely retirement of that debt.

5 SEC. 43.10.27. ALTERNATE PROCEDURE FOR CHANGE PROCEEDINGS NOT  
6 ADVERSELY AFFECTING TAXABLE PROPERTY IN THE SPECIAL TAX DISTRICT.

7 With respect to a special tax district formed under Section 43.10.17, as an alternate and  
8 independent procedure to those set forth in Sections 53331-53338 of the Act for making changes to the  
9 special tax district when the Board of Supervisors finds that no taxable property in the special tax  
10 district will be adversely affected by the changes, including but not limited to a change in the types of  
11 authorized public facilities or services which should be financed by an established special tax district, a  
12 change in the authorized amount of bonded indebtedness for the special tax district, a change in the  
13 rate or method of apportionment of a special tax, or the addition of a new special tax, the Board of  
14 Supervisors shall comply with the following requirements shall apply:

15 (a) The Department or Supervisor proposing the changes to the special tax district  
16 shall introduce at the Board of Supervisors a resolution stating those changes. At the time the  
17 sponsoring Department or Supervisor submits the resolution to the Clerk of the Board of  
18 Supervisors for introduction, the sponsoring Department or Supervisor shall provide written  
19 notice to the Clerk informing the Clerk that the alternate procedure and notice requirements in  
20 this Section apply to the resolution.

21 (b) Before adopting the resolution, but no sooner than 14 days after the introduction  
22 of the resolution, the Board of Supervisors or a committee of the Board of Supervisors shall  
23 hold a public hearing on the resolution. At the hearing, any person interested, including  
24 persons owning property within the area, may appear and present any matters material to the  
25 questions set forth in the resolution.

1 (i) — The Board of Supervisors shall adopt a resolution (A) declaring the intent to  
2 make changes to a special tax district, (B) finding that the proposed changes serve the public  
3 interest and will not adversely affect any taxable property in the special tax district, and (C)  
4 calling for a public hearing on the matter, which public hearing shall be held no sooner than 14  
5 days after the adoption of the resolution described in this subsection (i).

6 (ii) The Clerk of the Board of Supervisors shall publish a notice of the public hearing one  
7 time in a newspaper of general circulation published in the area of the special tax district at least 7  
8 days prior to the public hearing. The notice shall contain all of the following information:

9 (A) The text or a summary of the proposed resolution adopted pursuant to the preceding  
10 subsection (i); the notice may refer to documents on file in the office of the Clerk of the Board of  
11 Supervisors for detail.

12 (B) The time and place of the hearing.

13 (C) A statement that at the hearing the testimony of all interested persons, including all  
14 persons owning property in the area, for or against the changes, will be heard.

15 (iii) — The Board of Supervisors must hold a public hearing on the subject of the  
16 proposed changes. At the hearing any person interested, including persons owning property  
17 within the area, may appear and present any matters material to the questions set forth in the  
18 resolution described in the preceding subsection (i).

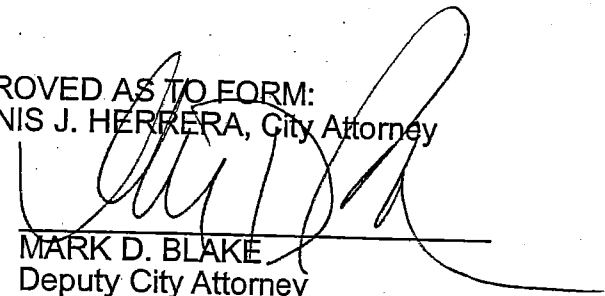
19 (iv) After holding the public hearing, the Board of Supervisors City may adopt a  
20 resolution making the proposed changes to the special tax district as long as it concludes that the  
21 public interest, convenience and necessity would be served by the proposed changes, that the changes  
22 would not adversely affect any taxable property in the special tax district and that the changes would  
23 not adversely affect the owners of any outstanding bonds that are payable from special taxes levied in  
24 the special tax district.

1            (ve) After adopting the resolution described in this section, the preceding subsection (iv),  
2 the Board of Supervisors shall adopt an ordinance amending any prior ordinance levying special taxes  
3 in the Special Tax District to reflect the changes to the special tax district.

4  
5            Section 3. Effective Date. This ordinance shall become effective 30 days after  
6 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the  
7 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board  
8 of Supervisors overrides the Mayor's veto of the ordinance.

9  
10           Section 4. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors  
11 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,  
12 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal  
13 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment  
14 additions, and Board amendment deletions in accordance with the "Note" that appears under  
15 the official title of the ordinance.

16  
17  
18 APPROVED AS TO FORM:  
19 DENNIS J. HERRERA, City Attorney

20 By:   
21        MARK D. BLAKE  
22        Deputy City Attorney

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24  
25  
Mayor Lee, Supervisors Tang, Wiener  
BOARD OF SUPERVISORS

**LEGISLATIVE DIGEST**

[Administrative Code - Special Tax Financing Law]

**Ordinance to amend the Administrative Code Special Tax Financing Law, constituting Article 43.10, to authorize financing by special tax districts of work deemed necessary to bring buildings or real property, including privately owned buildings or real property, into compliance with seismic safety standards or regulations, and related technical amendments and to establish certain procedures by which the City can make changes to a special tax district.**

Existing Law

The Board of Supervisors previously established its "City and County of San Francisco Special Tax District No. 2009-1 (San Francisco Sustainable Financing)" (the "Special Tax District") for the purpose of financing and refinancing the acquisition, installation and improvement of energy efficiency, water conservation and renewable energy improvements to or on real property and in buildings, whether such real property or buildings are privately or publicly owned. The Special Tax District was formed under the Special Tax Financing Law, constituting Article 43.10 of the Administrative Code.

The Special Tax District is currently not authorized to allow the financing of earthquake retrofit work for wood-framed structures as required under Section 34B of the Administrative Code, which requires the mandatory earthquake retrofit of certain wood-framed buildings.

Amendments to Current Law

The proposed Ordinance would amend Article 43.10 of the Administrative Code to allow financing by special tax districts of work deemed necessary to bring buildings or real property, including privately owned buildings or real property, into compliance with City seismic safety standards or regulations (Article 34B of the Administrative Code). The new regulations impose seismic retrofit requirements on certain residential buildings with critically vulnerable lower stories to significantly reduce the risk of collapse and increase the likelihood that these buildings will be structurally safe to occupy shortly after an earthquake.

The Ordinance would allow the San Francisco Sustainable Financing District, originally formed to finance and refinance the acquisition, installation and improvement of energy efficiency, water conservation and renewable energy improvements to or on privately owned buildings, to finance the costs of seismic retrofit improvements imposed by Article 34B of the Administrative Code. The Ordinance requires the financed seismic work to be certified by local building officials, and provides that no project involving the dismantling of an existing building or the construction of a new building may be financed under the Ordinance. Historic structures must be done in accordance with State Historic Building Code.

The Ordinance also sets forth alternative procedures by which the Board may adopt changes to special tax districts.



BOARD of SUPERVISORS



City Hall  
Dr. Carlton B. Goodlett Place, Room 244  
San Francisco 94102-4689  
Tel. No. 554-5184  
Fax No. 554-5163  
TDD/TTY No. 554-5227

# MEMORANDUM

TO: Regina Dick-Endrizzi, Director  
Small Business Commission, City Hall, Room 448

FROM: Angela Calvillo, Clerk of the Board *AC*

DATE: August 23, 2013

SUBJECT: REFERRAL FROM BOARD OF SUPERVISORS  
Budget and Finance Committee

The Board of Supervisors Budget and Finance Committee has received the following, which is being referred to the Small Business Commission for comment and recommendation. The Commission may provide any response it deems appropriate within 12 days from the date of this referral.

File: 130781

Ordinance to amend the Administrative Code Special Tax Financing Law, constituting Article 43.10, to authorize financing by special tax districts of work deemed necessary to bring buildings or real property, including privately owned buildings or real property, into compliance with seismic safety standards or regulations, and related technical amendments and to establish certain procedures by which the City can make changes to a special tax district.

Please return this cover sheet with the Commission's response to Victor Young, Committee Clerk, Budget and Finance Committee.

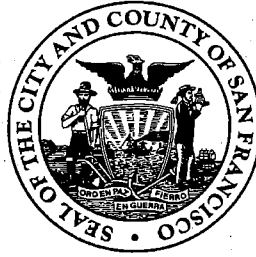
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RESPONSE FROM SMALL BUSINESS COMMISSION - Date: 9/12/2013

No Comment  
 Recommendation Attached

*Amelia Rodriguez*  
\_\_\_\_\_  
Chairperson, Small Business Commission

BOARD of SUPERVISORS



City Hall  
Dr. Carlton B. Goodlett Place, Room 244  
San Francisco 94102-4689  
Tel. No. 554-5184  
Fax No. 554-5163  
TDD/TTY No. 554-5227

# MEMORANDUM

TO: Regina Dick-Endrizzi, Director  
**Small Business Commission, City Hall, Room 448**

FROM: Angela Calvillo, Clerk of the Board *by [signature]*

DATE: August 23, 2013

SUBJECT: REFERRAL FROM BOARD OF SUPERVISORS  
Budget and Finance Committee

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Please return this cover sheet with the Commission's response to **Victor Young, Committee Clerk, Budget and Finance Committee.**

\*\*\*\*\*

**RESPONSE FROM SMALL BUSINESS COMMISSION - Date:** \_\_\_\_\_

**No Comment**  
 **Recommendation Attached**

\_\_\_\_\_  
**Chairperson, Small Business Commission**

President, District 3  
BOARD of SUPERVISORS



B/F chair + check  
LU chair + clerk, COB,  
City Hall Leg Dep  
305-11 electronically  
1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco 94102-4689  
Tel. No. 554-7450  
Fax No. 554-7454  
TDD/TTY No. 544-5227

DAVID CHIU  
邱信福  
市參事會主席

PRESIDENTIAL ACTION

Date: 9/5/2013  
To: Angela Calvillo, Clerk of the Board of Supervisors

RECEIVED  
BOARD OF SUPERVISORS  
SAN FRANCISCO  
2013 SEP -5 AM 10:11

Madam Clerk,

Pursuant to Board Rules, I am hereby:

Waiving 30-Day Rule (Board Rule No. 3.23)  
File No. \_\_\_\_\_  
(Primary Sponsor)

Transferring (Board Rule No. 3.3)  
File No. 130781 Wiener  
(Primary Sponsor)

From: Budget & Finance Committee

To: Land Use & Economic Development Committee

Assigning Temporary Committee Appointment (Board Rule No. 3.1)  
Supervisor \_\_\_\_\_  
Replacing Supervisor \_\_\_\_\_  
For: \_\_\_\_\_ Meeting  
(Date) (Committee)

David Chiu  
David Chiu, President  
Board of Supervisors

OFFICE OF THE MAYOR  
SAN FRANCISCO



EDWIN M. LEE  
MAYOR

TO: Angela Calvillo, Clerk of the Board of Supervisors  
FROM: *EM* Mayor Edwin M. Lee *JE*  
RE: San Francisco Special Tax Financing Law  
DATE: July 30, 2013

RECEIVED  
BOARD OF SUPERVISORS  
SAN FRANCISCO  
2013 JUL 30 PM 12:11  
*EM*

Attached for introduction to the Board of Supervisors is the ordinance to amend the San Francisco Administrative Code Special Tax Financing Law, constituting Article 43.10, to authorize financing by special tax districts of work deemed necessary to bring buildings or real property, including privately owned buildings or real property, into compliance with seismic safety standards or regulations, and related technical amendments and to establish certain procedures by which the City can make changes to a special tax district.

Please note this item is cosponsored by Supervisors Tang and Wiener.

I request that this item be calendared in Budget and Finance Committee.

Should you have any questions, please contact Jason Elliott (415) 554-5105.

✓ 130781