

1 [SEISMIC SAFETY RETROFIT PROGRAM.]

2
3 **Ordinance amending Sections 66.1, 66.2, 66.3, 66.4 and 66.5 and repealing Section 66.6**
4 **of Chapter 66 of the Administrative Code to conform to current practices and make**
5 **technical corrections.**

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

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

10 Section 1. Chapter 66 of the San Francisco Administrative Code is hereby amended by
11 amending it in it entirety, to read as follows:

12 Sec. 66.1. DEFINITIONS. Unless otherwise indicated by the context, the following
13 definitions shall govern construction of terms in this Chapter:

14 (a) "Below ~~market rate loan~~ *Market Rate Loan*" shall mean a loan made from the proceeds
15 of any individual series of bonds issued under the Program which shall bear an interest rate
16 that yields a total annual return to the City that equals 1/3 of the City's cost of funds for that
17 series.

18 (b) "City's cost of funds" for any individual series of bonds issued under the program
19 shall mean the true interest cost as set forth in the resolution of the Board of Supervisors
20 awarding that series of bonds.

21 (c) "Deferred ~~loan~~ *Loan*" is a ~~below market rate~~ *Below Market Rate* loan on which
22 repayment of principal and interest is deferred until the sooner to occur of (1) 20 years after
23 the loan is made or (2) the borrower transfers title to the building whose improvements were
24 financed by the loan proceeds. Deferred interest shall accrue and be repaid at the time the
25 principal amount of the ~~deferred loan~~ *Deferred Loan* is due.

12/5/00
grh

1 (d) "Fund" shall mean the Seismic Strengthening Loan Fund, established pursuant to
2 Administrative Code Section 10.117-110.

3 (e) "Market ~~rate loan~~ *Rate Loan*" shall mean a loan made from the proceeds of any
4 individual series of bonds issued under the program which shall bear an interest rate that,
5 when coupled with the annual administrative fees charged by the City, yields a total annual
6 return to the City that equals the City's cost of funds for that series, plus 100 basis points.

7 (f) "Median income" shall mean the median income for San Francisco PMSA, adjusted
8 for household size, as published from time to time by the United States Department of
9 Housing and Urban Development, or any successor to that figure published by that
10 department or any successor to that department.

11 (g) "Program" shall mean the seismic safety retrofit bond and loan program funded by
12 the ~~fund~~ *Fund* and established by this Chapter.

13 ~~(h) "Program board" shall mean the program board established pursuant to Section 66.6.~~

14 ~~(i)~~ "Seismic strengthening" shall mean actions taken by or on behalf of the owner of a
15 building to comply with the requirements of Chapters 14 and 15 of the San Francisco Building
16 Code, as amended from time to time.

17 ~~(i)~~ "UMB" shall mean an unreinforced masonry bearing wall building, the seismic
18 strengthening of which may be financed by loan from the fund.

19 Sec. 66.2. PROGRAM REGULATIONS. (a) The Board of Supervisors shall adopt by
20 ordinance those regulations and rules for the ~~program~~ *Program* that the Board of Supervisors
21 determines appropriate. Those regulations shall address matters including, but not limited to,
22 ~~program~~ *Program* and fund administration, nondiscrimination, qualification for loans, loan
23 documentation and enforcement.

1 Sec. 66.3. AMOUNT AND USE OF PROGRAM FUNDS. (a) A maximum of
2 \$350,000,000 will be raised through the sale of general obligation bonds of the City for deposit
3 into the fund for use in the ~~program~~ *Program* and for payment of bond issuance costs.

4 (b) A maximum of \$150,000,000 of the fund shall be made available for ~~below market~~
5 ~~rate~~ *Below Market Rate* loans under the ~~program~~ *Program* for seismic strengthening of UMB's in
6 which 50 percent or more of the floor area is residential and at least 70 percent of the
7 residential units are and will continue to be affordable to and occupied by a household whose
8 income is at or below 60 percent of median income.

9 (c) Of the \$150,000,000 available for ~~below market rate loans~~ *Below Market Rate Loans*, a
10 maximum of \$60,000,000 shall be made available for *Deferred Loans* under the ~~program~~
11 *Program* for ~~seismic strengthening~~ *Seismic Strengthening* of UMB's in which 60 percent or more of
12 the floor area is residential and at least 80 percent of the residential units are and will continue
13 to be affordable to and occupied by a household whose income is at or below 40 percent of
14 median income.

15 (d) A maximum of \$200,000,000 of the fund shall be made available for ~~market rate loans~~
16 *Market Rate Loans* for ~~seismic strengthening~~ *Seismic Strengthening* of UMB's not qualifying for
17 loans under Subsections 66.3(b) or 66.3(c).

18 (e) To the extent legally required for completion of the seismic strengthening of or to
19 permit occupancy of a building, up to 25 percent of the proceeds of any loan funded under the
20 ~~program~~ *Program* may be spent on improvements to protect the life or safety of or to provide
21 disability access for occupants of that building.

22 Sec. 66.4. LOAN PERIOD. All loans made under the ~~program~~ *Program* shall be fully
23 amortized over a period of 20 years, provided that all principal and interest payments under a
24 ~~deferred loan~~ *Deferred Loan* shall be repaid in a single lump sum at the end of the ~~deferred loan~~
25 *Deferred Loan* period.

1 Sec. 66.5. PRESERVATION OF HOUSING. (a) Any loan, including a ~~market rate loan~~
2 ~~Market Rate Loan~~, used to finance ~~seismic strengthening~~ *Seismic Strengthening* of a residential
3 structure containing units rented to households specified in Section 50079.5 of the California
4 Health and Safety Code before strengthening shall be subject to a regulatory agreement and
5 related documents that will ensure that the number of those units in the structure will not be
6 reduced and will remain available at affordable rents pursuant to Section 50053 of the
7 California Health and Safety Code (1) for as long as any portion of the loan is unpaid, and (2)
8 in the case of ~~below market rate loans~~ *Below Market Rate Loans* repaid in full in less than 20
9 years, for at least 20 years.

10 (b) In the case of ~~below market rate loans~~ *Below Market Rate Loans*, the ~~regulatory~~
11 ~~agreement~~ *Regulatory Agreement* and related documents will include provisions to assure the
12 continued affordability and occupancy, for at least 20 years, by households as described in
13 Section 66.3, and such other restrictions and requirements as deemed appropriate by the
14 Board of Supervisors or the entity designated as administrator of the ~~program~~ *Program*.

15 (c) In addition to any other restriction on the reduction of the number of residential units
16 set forth in this Chapter, any loan made under the ~~program~~ *Program* that is used to finance
17 ~~seismic strengthening~~ *Seismic Strengthening* shall be subject to a regulatory agreement and
18 related documents that will ensure that the number of residential units, if any, in the structure
19 being strengthened will not be reduced for as long as any portion of the loan is unpaid except
20 if one of the following conditions is met at the time that the loan is made: (1) compliance with
21 engineering requirements necessitates a reduction in the number of residential units; (2) the
22 loss of units is required to correct substandard housing conditions as described in the
23 Program regulations; or (3) the structure is an owner-occupied mixed-use building with four or
24 fewer residential units.

1 ~~Sec. 66.6 PROGRAM BOARD. (a) The Board of Supervisors hereby finds and declares that the~~
2 ~~individuals appointed to the office of Program Board member are intended to represent and further (1)~~
3 ~~the interests of persons who own a UMB or are tenants in a UMB, and (2) the interests of persons who~~
4 ~~own an interest in a business enterprise that owns a UMB, or is a tenant in a UMB, and that such~~
5 ~~representation and interest will ultimately serve the public interest. Accordingly, the Board of~~
6 ~~Supervisors finds that for purposes of persons who hold such office, ownership of or tenancy in a~~
7 ~~UMB or ownership of a business enterprise that owns a UMB or is a tenant in a UMB is tantamount to~~
8 ~~and constitutes the public generally within the meaning of Section 87103 of the California Government~~
9 ~~Code. Nothing in this legislation is intended to imply that the members of the Program Board, other~~
10 ~~than the member who is a member of the Board of Supervisors, are public officials within the meaning~~
11 ~~of the Political Reform Act.~~

12 ~~(b) There shall be a 13 member Program Board which shall consist of the following six persons~~
13 ~~or their designees who shall be non-voting members:~~

- 14 ~~(1) The Chief Administrative Officer;~~
- 15 ~~(2) The Director of the Mayor's Office of Housing;~~
- 16 ~~(3) The Controller;~~
- 17 ~~(4) The Director of the Bureau of Building Inspection;~~
- 18 ~~(5) The Director of the Department of City Planning; and~~
- 19 ~~(6) The President of the Landmarks Preservation Advisory Board;~~

20 ~~and seven voting members who shall consist of one member of the Board of Supervisors, who~~
21 ~~shall be appointed by the President of the Board of Supervisors, and one member, who shall be~~
22 ~~appointed by the Board of Supervisors, from each of the following six groups:~~

- 23 ~~(1) Persons who own a nonresidential UMB or who own a business that owns a nonresidential~~
24 ~~UMB, or a person sponsored by a member of either such group;~~

1 ~~(2) Persons who are tenants of, or owners of a business that is a tenant of, a nonresidential~~
2 ~~UMB, or a person sponsored by a member of either such group;~~

3 ~~(3) Persons who are owners of a residential UMB or who own a business that owns a residential~~
4 ~~UMB, or a person sponsored by a member of either such group;~~

5 ~~(4) Persons who are tenants of a residential UMB, or a person sponsored by~~
6 ~~member of such a group;~~

7 ~~(5) Persons whose membership on the Program Board has been sponsored by a nonprofit~~
8 ~~corporation that owns or manages a residential UMB; and~~

9 ~~(6) Persons whose membership on the Program Board has been sponsored by a nonprofit~~
10 ~~corporation that owns or manages a nonresidential UMB.~~

11 ~~(c) The Board of Supervisors shall appoint a nine person Advisory Board that shall make~~
12 ~~recommendations to and respond to requests for advice from the Program Board. The Advisory Board~~
13 ~~shall be composed of one member from each of the following groups:~~

14 ~~(1) Persons active in historic preservation in San Francisco;~~

15 ~~(2) Disabled persons;~~

16 ~~(3) Persons employed by or owning an interest in a financial or mortgage brokerage institution;~~

17 ~~(4) Trade union members or officers;~~

18 ~~(5) Persons active in efforts to preserve and protect the physical environment of San Francisco;~~

19 ~~(6) Persons who own an interest in a business that is certified by the Human Rights Commission~~
20 ~~as a Disadvantaged Business Enterprise;~~

21 ~~(7) Persons employed in or owning an interest in a business engaged in the construction~~
22 ~~industry;~~

23 ~~(8) Licensed structural engineers; and~~

24 ~~(9) Licensed architects.~~

1 ~~(d) The Board of Supervisors shall have the exclusive authority to determine the adequacy of~~
2 ~~the credentials of each Program Board member and each Advisory Board member.~~

3 ~~(e) Each member of the Program Board and of the Advisory Board shall serve for a term of two~~
4 ~~years and until his or her successor assumes office, but may be removed sooner, for any reason or no~~
5 ~~reason, by a resolution adopted by the Board of Supervisors.~~

6 ~~(f) The Program Board shall recommend to the Board of Supervisors regulations for~~
7 ~~administration of the program, including, but not limited to, credit standards to be used in determining~~
8 ~~eligibility for loans under the program, loan documentation to be used in the program, enforcement~~
9 ~~procedures, staffing and general policies. The Program Board shall also advise the City officials~~
10 ~~designated by the Board of Supervisors as the administrators of the program on matters of general~~
11 ~~operation and implementation of the Program. The Program Board shall have no other function or~~
12 ~~authority except to make those recommendations to the Board of Supervisors and to the program~~
13 ~~administrative staff. The Program Board shall not interfere in or provide advice with respect to the~~
14 ~~evaluation of any specific loan application or the enforcement of any specific loan terms.~~

15 ~~(g) The recommendations of the Program Board shall be advisory only, and the Board of~~
16 ~~Supervisors may adopt any regulations that it determines appropriate and the program administrators~~
17 ~~may undertake any actions that they deem appropriate notwithstanding the recommendations of the~~
18 ~~Program Board.~~

19 ~~(h) In making its recommendations to the Board of Supervisors and to other City officials with~~
20 ~~respect to the implementation and the operation of the program, the Program Board shall hold public~~
21 ~~hearings to receive testimony from persons interested in or affected by the program.~~

22 ~~(i) The Chief Administrative Officers office shall provide staff assistance for the Program~~
23 ~~Board as is reasonable and feasible within the budget and staff available to the Chief Administrative~~
24 ~~Officer's office.~~

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

APPROVED AS TO FORM:

LOUISE H. RENNE, City Attorney

By: *L. Joanne Sakai*
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: 001968

Date Passed:

Ordinance amending Sections 66.1, 66.2, 66.3, 66.4 and 66.5 and repealing Section 66.6 of Chapter 66 of the Administrative Code to conform to current practices and make technical corrections.

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

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

Absent: 2 - Katz, Teng

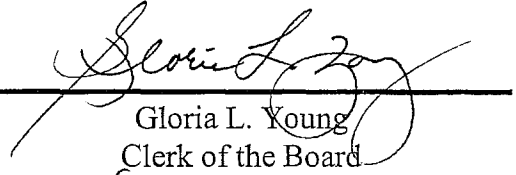
January 2, 2001 Board of Supervisors — FINALLY PASSED

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

Absent: 1 - Brown

File No. 001968

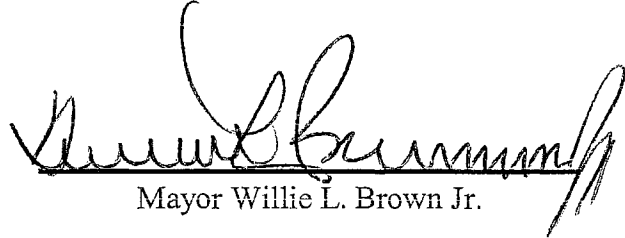
I hereby certify that the foregoing Ordinance
was **FINALLY PASSED** on January 2, 2001
by the Board of Supervisors of the City and
County of San Francisco.



Gloria L. Young
Clerk of the Board

JAN 12 2001

Date Approved



Mayor Willie L. Brown Jr.