

**Ballot Simplification Committee - DRAFT for Consideration on Thursday, July 29, 2010**  
**Earthquake Retrofit Bond** *(working title only, subject to change)*

**The Way It Is Now:** In 2009, the City's Department of Building Inspection commissioned a report (the "Report") concluding that many soft story buildings in San Francisco are vulnerable to collapse or significant damage in an earthquake. Soft story buildings are multi-story wood structures where at least one floor has large perimeter wall openings, such as garage doors.

The Report identified approximately 2,800 soft story buildings in San Francisco constructed before 1974. Of these, 125 buildings consist of affordable housing units funded by government agencies. Another 31 buildings consist of single room occupancy units, which are usually rented to low-income tenants.

**The Proposal:** Proposition \_\_\_ is a bond measure that would authorize the City to borrow up to \$46,150,000 by issuing general obligation bonds to fund loans and grants to pay for seismic retrofitting of soft-story affordable housing and single room occupancy buildings constructed before 1974.

Projects funded by the bond proceeds would include:

- A deferred loan and grant program to pay for seismic retrofitting of soft-story affordable housing buildings funded by government agencies and constructed before 1974. Up to \$41,330,000 could be used for this program.
- A loan program to pay for seismic retrofitting of soft story single room occupancy buildings constructed before 1974. Up to \$4,820,000 could be used for this program.

The City agencies responsible for implementing these programs would set the terms and conditions for the loans and grants. But a property owner would be required to immediately repay these loans and grants if the property owner reduced the number of affordable housing units as part of a sale or transfer of the property.

Proposition \_\_\_ would require the Citizen's General Obligation Bond Oversight Committee to provide independent oversight of the spending of bond funds. One-tenth of one percent (0.1%) of the bond funds would pay for the Committee's audit and oversight functions.

Proposition \_\_\_ would allow an increase in the property tax to pay for the bonds. It would permit landlords to pass through 50% of the resulting property tax increase to tenants.

Two-thirds of the voters would have to approve this measure for it to pass.

**A "YES" Vote Means:** If you vote "yes," you want the City to issue \$46,150,000 in general obligation bonds, subject to independent oversight and regular audits, for loans or grants to pay for seismic retrofitting of soft-story affordable housing and single room occupancy buildings. Landlords would be allowed to pass through 50% of any increase in property taxes to tenants.

**A "NO" Vote Means:** If you vote "no," you do not want the City to issue \$46,150,000 in general obligation bonds, subject to independent oversight and regular audits, for loans or grants to pay for seismic retrofitting of soft-story affordable housing buildings.