

## **Ballot Simplification Committee**

### **Earthquake Retrofit Bond**

**FINAL Digest—by Packard, Fasick, Fraps, Jorgensen, Unruh, 12:24 p.m. July 29, 2010**

**Requests for Reconsideration were due by 12:30 p.m. on Friday, July 30, 2010**

**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 multistory wood structures where at least one floor has large outside 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 include affordable housing units funded by government agencies. An additional 31 buildings consist of single-room occupancy units, which are usually rented to low-income tenants. There are 8,247 affordable housing units in these buildings.

**The Proposal:** Proposition A 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.

Projects funded by the bond would include:

- A deferred loan and grant program to pay for seismic retrofitting of soft-story affordable housing buildings funded by government agencies. 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. 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 repay these loans and grants immediately if the property owner reduced the number of affordable housing units as part of a sale or transfer of the property.

Proposition A 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 A 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 must 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 these bonds.