

Summary of Key Issues Discussed in CAPSS Advisory Committee Meeting of September 10, 2008

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The main focus of this meeting was to discuss possible incentives the City could offer to building owners to encourage seismic retrofits. The ATC project team distributed a memorandum on this topic prior to the meeting, and made a brief presentation at the meeting. Both the memorandum and presentation are available online at <http://www.sfcapss.org/advcommittee.shtml>.

Four key types of incentives were discussed:

- financial,
- policy,
- technical assistance, and
- information.

Meeting participants were asked to comment on which incentives could be both meaningful to building owners and politically feasible in San Francisco. The following comments were made:

- Many initiatives related to seismic safety are currently being proposed in the City. The CAPSS project may need to accelerate some activities, such as recommendations related to reuse of the UMB bond funds.
- CAPSS should recommend incentives focused for building owners with low-income tenants or rent controlled units, since preserving affordable housing is a key city value. It could also consider prioritizing incentives for buildings with commercial space or other occupied space at the ground level, since these buildings probably represent both the greatest risk to life safety and the most challenging retrofit issues (impact on small businesses, expensive triggered ADA work such as enlarged bathrooms, etc.).
- Some advised to keep the administrative requirements for incentives simple and easy to secure.
- Qualification for an incentive should be based on verifiable engineering standards.
- The rent board needs to get involved in debating how pass throughs of expenses to tenants, and tenant protections, should be managed. There is an existing group with representatives of tenants and building owners that should get involved.
- Incentives might be needed to deal with temporary relocation of tenants.
- Insurance incentives could be fruitful to explore, as insurance companies benefit when buildings are retrofitted.

- It would be difficult to offer property tax reductions given the current fiscal climate.
- Seismic retrofits could be paired with solar panel upgrades. The City could use collective bargaining to reduce costs.
- There are numerous existing disincentives for buildings to seismically retrofit:
 - The Planning Code allows an “act of God” exemption that building owners can rebuild at the same density, level of parking, and percent of lot coverage as currently if their building is demolished, although these may not meet current standards. Furthermore, they can bypass condo conversion laws. This should be changed so that only owners who have seismically retrofitted get this benefit.
 - Parking spaces may be lost due to retrofits, or gained.
 - Building owners often prefer not to know the risk of their building as they are legally required to disclose what they know upon sale. What is the disclosure requirement?
- Ground floor commercial uses (restaurants) might be hit hard and need some incentives to compensate for the disruption and loss of floor space.
- Commercial buildings in an enterprise zone may be able to access additional sources of funds for retrofits.
- Voluntary programs are largely ineffective. Mandatory programs can be “sweetened” by adding incentives. An exception is Berkeley’s soft story program which requires owners to have their buildings evaluated and notify tenants if their building is found to be at risk. This has motivated some but not all owners to retrofit rather than approach tenants. Mandates might be required for an effective mitigation program
- Building owners probably have liability already if their buildings kill or injure people. The City could explore ways to clarify liability.
- Standard details would be a help to building owners.