

MOTION

~~AGENDA ITEM~~

The City is engaged in discussions for strengthening structures that are especially vulnerable to seismic events, in particular wood-frame soft-first story buildings built prior to 1978. These buildings are at particular risk due to unusually weak first stories which have large openings (for example tuck-under parking, garage doors, and retail display windows). Efforts are underway to propose adoption of an ordinance requiring mandatory retrofit of these buildings within five years.

Several financing programs are also being proposed to assist in the successful implementation of such a retrofit ordinance. One financing option is for the City to provide access to private lending sources through the adoption of Property Assessed Clean Energy (PACE) financing programs for soft-first story retrofits. PACE programs allow borrowers to pay back borrowing through property taxes, thus increasing security, lowering borrowing costs, and allowing financing to remain even when a property is sold. PACE financing programs were initially set up to fund energy and water efficiency projects but some PACE programs are now eligible to finance seismic upgrades as well.

The two main statewide PACE programs that are eligible to finance seismic upgrades are Figtree Financing, Inc. a San Diego-based clean energy financing company and California FIRST. Both entities are able to make PACE financing available to building owners being required to retrofit soft-first-story buildings under any retrofit ordinance.

The California Enterprise Development Authority (CEDA) is the Joint Powers Authority partner for Figtree Financing. The California Statewide Communities Development Authority (CSCDA) is the Joint Powers Authority for California FIRST.

Action is needed to evaluate the services / programs offered by Figtree Financing, California FIRST, and any similar agency or entity which can be of assistance in providing financing to property owners who may be required by the City to retrofit their buildings for seismic safety purposes.

I THEREFORE MOVE that the City Administrative Officer, with the assistance of the Chief Legislative Analyst, other relevant departments and the City Attorney, be directed to evaluate the services offered by Figtree Financing, California FIRST, and any other similar agency or entity which can be of assistance in providing financing to property owners who may be required by the City to retrofit their buildings for seismic safety purposes and to report with recommendations for participating in these services should the Council decide to proceed.

PRESENTED BY Bob Blumenfeld
BOB BLUMENFIELD
Councilman, 3rd District

Gilbert Cedillo
GILBERT A. CEDILLO
Councilman, 1st District

[Signature]
January 14, 2015
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SECONDED BY [Signature]

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