

Stakeholder Working Group Meeting #4 Summary Memo February 7, 2023

Working Group Attendees (16)

City & County of San Francisco Staff (6/9)

Invited	<u>Attended</u>
Judson True, Director of Housing Delivery, Office of Mayor Breed	-
Lisa Gluckstein, Housing & Land Use Policy Advisor, Office of Mayor Breed	X
Raquel Bito, President, Building Inspection Commission	X
Neville Pereira, Deputy Director of Permit Services, Department of Building Inspection	-
Raymond Lui, Structural Engineering Section Manager, San Francisco Public Works	X
Dan Sider, Senior Advisor for Special Projects, San Francisco Planning Department	-
Liz Watty, Director of Current Planning, San Francisco Planning Department	X
Susan Ma, Joint Development, Project Manager, Office of Econ. & Workforce Dev.	X
Holly Babe Faust, Construction Rep., Mayor's Office of Housing & Comm. Dev.	X

Technical Experts (6/6)

<u>Invited</u>	<u>Attended</u>
Duke Crestfield, Principal, Triangle Engineering	Х
Ned Fennie, Architect, DBI Code Advisory Committee	X
David Friedman, Board Member, SPUR	X
Sarah Atkinson, Earthquake Resilience Policy Manager, SPUR	X
Robert Kraus, Structural Engineer, Structural Engineers Assoc. of Northern California	X
Jenna Wong, Assistant Professor of Civil Engineering, San Francisco State University	X

Residential Building Owners (2/6)

<u>Invited</u>	<u>Attended</u>
Chris Cummings, Dir. of Housing Development, Tenderloin Neighborhood Dev. Corp.	-
Heather Lea Heppner, Housing Preservation Mgr., Chinatown Comm. Dev. Center	-
Janan New, Executive Director, San Francisco Apartment Association	X
Charley Goss, Govt & Community Affairs Mgr., San Francisco Apartment Association	X
George Orbelian, Building Owner, 640 Mason Street	-
Freeda Rawson, Associate Director of Resident Services, Mercy Housing California	-

Commercial Building Owners (1/2)

<u>Invited</u>	<u>Attended</u>
Alex Bastian, Director, Hotel Council of San Francisco	-
Lisa Yergovich, Principal, Architectural Resources Group (on behalf of BOMA SF)	X

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Tenant Representatives (0/4)

<u>Invited</u>	<u>Attended</u>
John Elberling, Executive Director, Yerba Buena Neighborhood Consortium	-
Raquel Redondiez, Director, SoMa Pilipinas	-
Fred Sherburn-Zimmer, Executive Director, Housing Rights Committee of SF	-
Alicia Sandoval, Tenant Counselor, Housing Rights Committee of SF	-

Business Representatives (0/3)

<u>Invited</u>	<u>Attended</u>
Rodney Fong, President & CEO, San Francisco Chamber of Commerce	-
Emily Abraham, Dir. of Legislative & Community Affairs, SF Chamber of Commerce	-
Johnny Jaramillo, Executive Director, PlaceMade	-

Labor Representatives (0/1)

<u>Invited</u>	<u>Attended</u>
Rudy Gonzalez, Secretary-Treasurer, SF Building & Construction Trades Council	-

Builders & Developers (1/3)

Invited	<u>Attended</u>
Matt Field, President, TMG Partners	-
Gregory Johnson, Associate Director, CBRE	-
Brian Main, Vice President, Construction Manager, Plant Construction	Х

Project Team Attendees (12)

Office of Resilience & Capital Planning (4), Project Lead

Sophie Hayward, Director of Legislation & Public Affairs, City Administrator's Office Brian Strong, Chief Resilience Officer Melissa Higbee, Resilience Program Manager Laurel Mathews, Senior Earthquake Resilience Analyst

Applied Technology Council (3), Technical Lead

Ayse Hortacsu, ATC Project Technical Team Manager Joe Maffei, ATC Project Technical Team Director Karl Telleen, ATC Project Technical Team Member

CivicMakers (3), Engagement Lead

Judi Brown, Project Director & Lead Facilitator Mike King, Project Manager Terri Feeley, LBE Subcontractor & Facilitator

Other City Staff (2)

Christine Gasparac, Assistant Director, Department of Building Inspection **Patrick Hannan**, Communications Director, Department of Building Inspection

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Meeting Purpose

- 1. Members understand the City's proposed approach to retrofitting tilt-up buildings, informed by previous member feedback. The City receives final feedback from members about its proposal.
- Members understand the landscape of considerations for how the City might approach schedule
 categories and the retrofit program timeline for non-ductile concrete buildings. The City receives
 feedback from members on their priorities for schedule categories and timeline.
- 3. The City receives feedback from members on which topics to prioritize at upcoming working group meetings.

Meeting Background Materials

1. Stakeholder Engagement Summary Report (July 2022)

Meeting Summary

Welcome, Previous Meeting Recap & Agenda Overview

Project team and working group attendees convened virtually via Zoom. Brian Strong, Chief Resiliency Officer, welcomed participants and encouraged them to introduce themselves via chat. Ayse Hortacsu, Project Technical Team Manager, and Joe Maffei, Project Technical Director, provided an overview of the recent earthquake in Turkey, a somber reminder of the importance of San Francisco's Concrete Building Safety Program. Laurel Mathews, Senior Earthquake Resilience Analyst, presented a quick overview of the day's agenda, discussion topics, meeting objectives, and content from the previous working group meeting in January 2023.

City Draft Proposal: Tilt-up Buildings

Joe Maffei presented the City's draft program for how it will approach mandatory retrofits of tilt-up buildings in San Francisco. The presentation included the City's draft approach to retrofit levels and standards, program scope, and the criteria for buildings to be included in the program. Judi Brown, Lead Facilitator, led working group members into a discussion of their questions, reactions and feedback to the City's draft program for tilt-up buildings.

Working Group Questions & Comments

Note: the language below in italics reflects the spirit of the dialogue but is not always a direct quote.

Q1. Does the inventory include historic movie theaters? Some of those buildings could be reinforced concrete. I want to be able to share that with the planning department because some of them are

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historic landmarks. It would be good to know in advance so we could offer you guidance on the implication to property owners.

- **A1.** Good question. We are not sure about whether there are historic movie theaters in our inventory. I also wonder, "Are the historic movie theaters still being used as theaters?" If these buildings are a particular concern, we could try to find them through the property tax database. We are including both one and two story tilt-up structures, so movie theaters could be possible in the inventory.
- **C1.** There are a lot of PDR buildings that are historic resources as well.
- **C2.** Your tilt-up program timeline is primarily focused on post-WWII tilt-up building retrofits but most of the RWFD buildings are pre-war, and have problems with open fronts and funky trusses, which are not addressed in the proposed retrofit standard. Also, most of the pre-WWII residential buildings up to 6 stories are RWFD structures.
- **Q2.** Does Appendix A2 take into account soils classifications?
- **A2.** Yes. Soils classifications fall under the 75% of code standard for new buildings, as stated in Appendix A2.

Non-Ductile Concrete Building Schedule Categories & Timeline

Joe Maffei, Project Technical Director, presented an overview of the landscape of examples and considerations for non-ductile concrete building schedule categories and program timeline. Terri Feeley, Lead Facilitator, led working group members into breakout room discussions of four specific questions designed to generate ideas and communicate member preferences for non-ductile concrete building schedule categories and a program timeline in San Francisco. Meeting participants were assigned to one of three breakout rooms. Following the breakout room discussions, members of each group reported back to the full group the main takeaways from their conversation.

Working Group Questions & Comments

Note: the language below in italics reflects the spirit of the dialogue but is not always a direct quote.

Q1. What factors and priorities should the City consider when setting a compliance timeline for this program?

Accessing Capital to Pay for Retrofits and Associated Costs

- o The reality is that if you have the money, you can get all of this done. If you do not have the money, you are not going to get any of it done.
- o For condos specifically, the risk is disinvestment. Many HOAs are already undercapitalized for basic maintenance. The compliance cost will be infeasible for many. I think we will see owners planning to demolish and rebuild. There will also be owners who cannot fund the demolition of their building.

o Tenant Relocations

 The city's capacity to accommodate residential relocations is an important factor. Are there enough vacancies available for relocations to happen at once,

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or should they be spread out? It is a huge process, with lots of considerations. Some tenants, given the choice, would prefer to accept the risk (including/up to risk of death/building collapse) and stay in their home.

Building owners need enough time to be able to finance their tenant relocations.

City Compliance Staffing

o This will not be the only program that DBI administers. Compliance and enforcement is a ton of work. You have to chase after people who do not comply on time, or who have not done the forms correctly. There is not enough staff at DBI, Planning, Fire Department, etc. to do the work, including communicating with property owners. Planning is funded by cost recovery. There has been a lot of lost revenue because of our fee structures. When people do not pay for permits, we do not have general funding to go towards staffing. If we are trying to get a new program off the ground, it will pull resources. The Mayor issued an executive order today that permitting departments will do more with less, but it is not realistic to expect we will be able to. Staffing and funding are strongly tied to the economy. I would request for a dedicated general fund staff position at Planning (and possibly also at DBI) to focus on this program, in order to not pull resources from other programs and priorities.

• Risk / Occupancy Load / Life Safety

- o Identify the structures that might kill the most people. This is a big motivation for people to get things done. How many lives will be saved? If you let the process drive the schedule and there is a major event, it is going to be embarrassing. When you sift and sort the pile of candidate buildings, put those with the highest level of risk in the first schedule category. We want to think about greatest number of lives saved.
- o Perhaps the schedule should include a breakdown of buildings in terms of how many people live there who may be highly impacted by a collapse. For example, a six-story building with 20 units is a lot less of a concern to me than our projects that are 6 stories with 125 units.
- Risk is correlated to occupant load, which is often correlated to floor space, which is correlated to cost.

o Collapse Prevention

- It is much better to have a lower standard that is easier for building owners to meet. Do not focus on resiliency. Focus on collapse prevention to save lives. If we use collapse prevention as the standard, it is not that expensive and would not require relocation. If collapse prevention, pre-WWII buildings should go first and faster. For post-WWII buildings, they will be wealthier occupants and the frames will be harder to retrofit.
- Rebuttal: In terms of collapse prevention, I am not sure if a ground-floor-only retrofit is valid for these buildings.

Residential Versus Commercial

 Consider where occupants could be sleeping (residential) versus where occupants are awake and able to respond (commercial).

• Historic Building Designation

o Some require historic entitlements, which can be a lengthy process (ex. months). The planning department is working with DBI on this. Communication with property owners

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should include this consideration. After initial evaluation, buffer in time to get to actual permitting part of process for those that want to demolish.

Availability of Engineers & Contractors

o The availability of engineers and contractors, especially for building owners who are monolingual. The availability of resources for conducting all of the evaluations.

Supply Chain

o We are now running into supply chain issues. There is always a rush to get work done around a deadline that can causes jolts to the market.

Timelines of Other City Programs

o Building owners are currently juggling multiple competing demands from the City: sprinklers, asbestos remediation, fire alarms. We should be thoughtful about adding more demands and prioritizing/batching so they can get all their financing together for multiple projects at once. Cost, budgeting and rising interest rates happening right now.

Q2. What types of buildings should have a later deadline? Why?

• Buildings That Have a Harder Time Getting Funding

o We may want a later deadline for those buildings that would have a harder time getting funding. There are different facility types and some may be able to get the funding faster. Some stores or businesses may take a lot longer to secure the funding than others and that will impact their timeline. Class A buildings may already be thinking about and have worked cost into the building. Class B or C space may find financing more challenging. Generally speaking, if you are a large holding company, you have funds to make it happen. But it will be really hard if you are the owner of a single building.

Hard to Decide

o I am of two minds. On the one hand, it takes a lot longer with an older building that has a lot of tenants because of the relocations. On the other hand, if we take too long and there is an earthquake, then we are risking lots of loss of life. The buildings that take a long time may be very dangerous buildings with lots of people living in them. This idea of things taking longer meaning that they should be in the later schedule, I think it has its pros and cons. These could be potentially very dangerous buildings with lots and lots of people living in them.

Q3. What changes would you propose to the straw person program timeline?

• General Comments:

o We are already overdue on several segments of the timeline. In Los Angeles, the 25-year timeline guarantees that the earthquake will happen before the program is complete.

o Looking at what happened in SoCal, the costs are significant, the building owners are balking at them, and few projects are moving ahead. A 20 to 25-year compliance timeline allows a lot of time for financial planning and raising capital but also for sitting and doing nothing.

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- o We want to hear from stakeholders about what will be most effective. It is not an effective approach if building owners are putting it off to the very end or offloading a building. Generally, I do not think we want to encourage demolishing buildings, but maybe sometimes it is a good option and we should incentivize putting more housing on the site.
- o It is around the deadlines when DBI gets overwhelmed with questions. We would prefer to stagger the deadlines.
- o Certainty is the one message we heard clearly from property owners, engineers, and businesses. We do not want to change the program rules midway. That being said, maybe there is still a way to revisit and make changes based on future economic or other developments.

• Timeline for Building Owners to Submit Data Form:

o The screening form portion of the program timeline should be longer than a year; however, members generally felt that 1.5 to 2 years was a reasonable timetable.

• Timeline for Building Owners to Submit Seismic Evaluation:

- o At a minimum, the evaluation should be done early so we can understand the needs out there. Five years should be adequate to complete the evaluations. With the info you collect, you can create your schedule categories. The staggered time for construction (ex. financing, relocation) can come later. (+2)
- o I agree with the suggestion to make the evaluation deadlines somewhat earlier in the schedule so that owners get an idea of the cost to retrofit. One thing that could be done is front loading the engineering design that actually gets to a firm cost, so the owner has a decent concept of the cost feasibility of the project earlier in the process.
- o I suggest that we condense/shorten the seismic evaluation phase of the timeline. Only at the end of seismic evaluation do owners have a solid understanding of their retrofit costs so they can meaningfully plan and prepare their financing. The SoCal experience is that prior to that point in the process, you get a lot of time slipping by without much getting done. We need to get through the data form and seismic evaluation submissions as quickly as possible. (+1)
- o The seismic evaluation and the permit application for retrofit are when the engineers produce drawings for the retrofit. Building owners should have a solid cost estimate at end of the seismic evaluation phase. To maintain momentum, we need to help building owners get cost info as soon as possible so they can work on securing needed financing and planning for the retrofit.
- o Once the ordinance has passed, an owner can go to an engineer proactively and get the seismic evaluation done at same time that they are exploring some other remodel.
- o When we push the design timeline quite a ways back, mostly what we are buying is time for the owner to sit and think about how to offload the property at the 11th hour.

Timeline for Building Owners to Submit Permit Application/Complete Retrofit Construction:

Give building owners more time for construction as long as they have a plan that makes sense.

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- o Speed up the screening form and seismic evaluation phases but do not shorten the overall deadlines for retrofitting.
- o Stagger the timelines at the permit application and construction phases, and keep the screening form and seismic evaluation phases consistent for all buildings.

Q4. Would you prefer residential buildings going before non-residential buildings?

• In Favor of Residential Buildings Going First:

- o ...because the residential buildings present [potentially] a larger risk to life safety.
- o ...because it is what we said for tilt-up buildings. For those, we prioritized public accommodations going last.
- o ...because that approach works in code enforcement.
- o ...because we need to be mindful of 'created scarcity'. This may mean that residential buildings will need to be spread out over the entire program timeline.
- o ...because we preserve post-earthquake "shelter in place" housing and reduce post-earthquake displacement.
- o ...because, in an office building, the occupants are awake and able to respond, whereas in a residential building, you are asleep.
- o ...because we are concerned we may be putting off the most risky buildings. The potential of a Surfside-type catastrophe here is scary for people.

• In Favor of Non-Residential Buildings Going First:

- o ...because they are public accommodations. We are spending a lot of time in those buildings during the day.
- o ...because it leaves it up to the engineers to decide on how to prioritize older versus younger buildings.
- o ...because, in the United States, you want earthquakes to happen in the middle of the night. We are a little more like New Zealand than we are like Chile. The major risk here is in large concrete office buildings.
- ...because commercial building owners may be better equipped to do a retrofit. Larger institutions and companies may have more resources and more experience pulling permits.
- o ...because of the cost and tenant relocations.
- o ...because we can handle tenant relocations by using even and odd street numbers to disburse downtime across the city.

Neutral Comments

- o If I am an early adopter, then the option is mine and the order does not really matter.
- o How do occupancy rates of the commercial buildings compare to residential? Are occupants averaged over a day part of how we are determining which buildings are a higher risk?

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Wrap Up & Next Steps

Laurel Mathews provided an overview of next steps for how the working group's comments will be incorporated into future meeting agendas and/or program deliverables. Laurel presented the results from a recent survey of future meeting topics, and asked members to follow up with her if they had additional thoughts on meeting topics. Brian Strong thanked everyone for their participation and closed out the meeting.