

LOCAL GOVERNMENT FINANCING OPTIONS

In recognition of the fact that no incentive for retrofit seems to work quite as well as money, we have attempted to discuss both the existence of funding and its accessibility. This section provides legal citations, background information and contacts for the following funding programs:

- California Housing Rehabilitation Program
- Community Development Block Grants
- HOME Program
- Small Business Administration
- General Obligation Bonds
- Marks-Foran Residential Rehabilitation Act
- Marks Historic Bond Act
- Mello-Roos Community Facilities District
- Public Purpose Bonds
- Special Assessment Districts
- Tax Increment Financing *or* Tax Allocation Bonds

Not all of the sources of funds we have outlined have actually been used to finance seismic retrofitting of privately owned buildings. We surveyed the many different Federal and State funding sources and described those which have been used successfully for this purpose or which seem to be potential sources. Whenever possible, we have included contacts who should be able to answer questions or provide additional information. We hope that communities are able to access some of the as yet untapped funding sources to finance seismic retrofit projects.

CALIFORNIA STATE SEISMIC LEGISLATION

This section describes the recent history of California legislation relating to seismic hazard reduction, and describes how such legislation might affect cities and counties across the State, with particular attention paid to legislation that directly affects a jurisdiction's ability to provide financial assistance to owners of seismically hazardous structures. The discussion examines legislation pertaining to bond-related options such as Special Assessment Districts, Mello-Roos Districts and General Obligation Bonds. It also discusses redevelopment agencies as financing vehicles and describes ways in which the State has attempted to reach out directly to property owners.

**RETROFIT INCENTIVE PROGRAMS:
A QUICK LOOK**

	FULLERTON	LONG BEACH	PALO ALTO	SONOMA	TORRANCE	UPLAND	WEST HOLLYWOOD
Retrofit Incentives	<ul style="list-style-type: none"> •deferred, no interest loans •matching loans 	long-term 11.3% financing	<ul style="list-style-type: none"> •engineers reports made public •exemption from zoning requirements 	<ul style="list-style-type: none"> •fee waivers •design rebates 	<ul style="list-style-type: none"> •engineering subsidy •long-term 10.75% financing 	<ul style="list-style-type: none"> •design and facade improvement rebates •bank loans 	<ul style="list-style-type: none"> •fee waivers •zoning incentives •rent control modifications •long-term financing
Funding Source	redevelopment agency	special assessment bond issue	no program costs	redevelopment agency	<ul style="list-style-type: none"> •special assessment bond issue •general fund 	<ul style="list-style-type: none"> •CDBG •commercial bank loans 	<ul style="list-style-type: none"> •general fund •Mello-Roos bond issue
Comments	<ul style="list-style-type: none"> •flexible regarding scope and timing of mandatory retrofitting •offers attractive loans to owners 	largest special assessment financing done for this purpose in California	used by many as a model voluntary retrofit program	<ul style="list-style-type: none"> •creative system for prioritizing buildings •clear, simple informational packet 	<ul style="list-style-type: none"> •first special assessment financing done for this purpose in California 	<ul style="list-style-type: none"> •qualified for CDBG under "Slum and Blight" category •arranged for reduced cost local bank loans (untested) •very thorough application package 	<ul style="list-style-type: none"> •multi-faceted approach •includes rent control modifications allowing accelerated pass-through of retrofit costs •Mello-Roos financing in process
Ordinance Type	mandatory retrofit	mandatory retrofit	mandatory engineering reports	mandatory retrofit	mandatory retrofit	mandatory engineering reports	mandatory retrofit
# URMS	125	560	46	51	50	65	81
Type of URMs	99% commercial 1% residential	90% commercial 10% residential	100% commercial	90% commercial 10% residential	70% commercial 30% residential	100% commercial	80% commercial 20% residential
Population	109,000	430,000	57,000	8,000	133,500	64,000	36,000
1990/91 General Fund							
Revenues:	\$42 million	\$224 million	\$48 million	\$3 million	\$93 million	\$22 million	\$34 million
Fund Balance:	\$ 5 million	\$ 11 million	\$14 million	\$1 million	\$10 million	\$ 8 million	\$700,000