



Ben Rosenfield  
Controller  
Todd Rydstrom  
Deputy Controller

July 25, 2016

The Honorable Angela Calvillo  
Clerk of the Board of Supervisors  
City and County of San Francisco  
City Hall, Room 244  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102

Attention: Budget & Finance Committee

**Re: FY 2016-17 Property Tax Rate Ordinance**

Dear Ms. Calvillo:

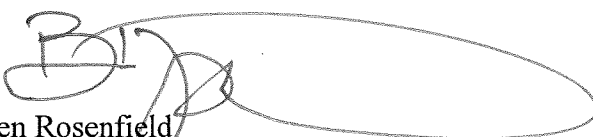
I am submitting an ordinance for consideration to amend the tax levy for FY 2016-17. This ordinance includes the following:

- Property Tax Levy for City and County;
- Property Tax Levy for Unified School District;
- Property Tax Levy for Community College District, and
- Property Tax Levy for Bay Area Rapid Transit District
- Property Tax Levy for Bay Area Air Quality Management District
- Pass-through rate of residential tenants pursuant to Chapter 37 of the Administrative Code

Section 3.3 of the Administrative Code requires the property tax rate be adopted by the last working day of September. I hereby request these items be scheduled for the Budget & Finance Committee meeting no later than September 7, 2016 in order to satisfy this requirement.

Please contact Jamie Whitaker, Property Tax Manager, at 415-554-7593 if you have questions regarding this matter.

Sincerely,

  
Ben Rosenfield  
Controller

CC: Linda Wong, Budget & Finance Committee Clerk



Ben Rosenfield  
Controller

Todd Rydstrom  
Deputy Controller

July 25, 2016

The Honorable Edwin Lee  
Mayor, City and County of San Francisco  
City Hall, Room 200  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102

The Honorable Board of Supervisors  
City and County of San Francisco  
City Hall, Room 244  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102

Dear Ladies and Gentlemen:

I am submitting herewith an annual ordinance which formally adopts those portions of the property tax rate for fiscal year 2016-2017 which the City and County of San Francisco administers. The Bay Area Rapid Transit District (BART) also adopts a debt service tax rate factor for their combined three county service area. The rate shown below includes the **estimated** rate for BART, which is slated for adoption at BART's August Board meeting. The composite property tax rate for fiscal year 2016-2017 is projected to be \$1.1759 for each \$100 of assessed value, a decrease of \$0.0067 or 0.57 percent from the \$1.1826 rate established for fiscal year 2015-2016. The overall rate decrease is primarily due to a reduction in the annual debt service attributable to San Francisco Unified School District's voter-approved bonds. Based on a \$1.1759 rate, the average tax bill for a home previously assessed at \$500,000 in fiscal year 2015-2016 will go from \$5,830.22 last fiscal year to \$5,886.85 in fiscal year 2016-2017, a \$56.63 or 0.97 percent increase. The respective tax rates by accruing entity are as follows:


	<u>Tax Rate Ordinance</u>	<u>Estimated State Shift</u>	<u>Effect After State Shift</u>
San Francisco Community College District (includes 0.01245918 debt service)	\$0.02690340	0.0400	\$0.0669034
San Francisco Unified School District (includes 0.03982180 debt service)	0.11681037	0.2133	0.33011037
CCSF - General Fund	0.81418319	(0.2533)	0.56088319
CCSF - Library Preservation Fund	0.02500000		0.02500000
CCSF - Children's Fund	0.03500000		0.03500000
CCSF - Open Space Acquisition Fund	0.02500000		0.02500000
CCSF - Bond Interest and Redemption Fund	0.11894004		0.11894004
CCSF - County Superintendent of Schools	0.00097335		0.00097335
Bay Area Air Quality Management District	0.00208539		0.00208539
BART District General Fund	<u>0.00632528</u>		<u>0.00632528</u>
Total excluding BART District Debt Service	\$1.17122102		\$1.17122102
BART Debt Service (Estimate)	0.00465790		<u>0.00465790</u>
Total Combined Tax Rate	<u>\$1.17587892</u>		<u>\$1.17587892</u>

The property tax rate reflects anticipated debt service requirements pertaining to voter-approved general obligation bonds, including a 0.25% administrative allowance to reimburse costs of collection. Attachment A is a Property Tax Rate History table for the City and County beginning in fiscal year 1996-1997. Attachment B provides the anticipated fiscal year 2016-2017 general obligation bond debt service schedule (principal and interest) relevant to the property tax rate calculations.

For fiscal year 2016-2017, the pass-through rate for residential tenants is \$0.0840 per \$100 of assessed value, or 8.4 cents per \$100 of assessed value. The pass-through rate is comprised of 3 factors as outlined in Chapter 37.3 of the San Francisco Administrative Code: 1) 100% of the City's general obligation bonds approved by voters between November 1, 1996 and November 30, 1998; 2) 50% of the City's general obligation bonds approved by voters after November 14, 2002; and 3) 50% of the San Francisco Unified School District or San Francisco Community College District's general obligation bonds approved by voters after November 1, 2006.

Except for a consumer price index adjustment which is capped at the lesser of inflation or 2.00% under Proposition 13, individual assessments change only when property is sold, transferred, or otherwise improved. For fiscal year 2016-2017, the consumer price index adjustment authorized by the State is 1.525%. As shown in Attachment C, the combination of a tax rate of \$1.1759 for each \$100 of assessed value and the 1.525% consumer price index adjustment that increases the assessed value of the example residence from \$500,000 in fiscal year 2015-2016 to \$507,625 in fiscal year 2016-2017 results in a \$56.63 property tax increase.

Sincerely,



Ben Rosenfield  
Controller

Attachments:

- A - Property Tax Rate History
- B - Debt Service Requirements
- C - Comparative Property Tax Bill

# Attachment A

## Property Tax Rate History City and County of San Francisco

<u>Fiscal Year</u>	<u>Prop 13 Tax Rate</u>	<u>San Francisco G.O. Bonds Tax Rate</u>	<u>Schools &amp; Special Districts G.O. Bonds Tax Rate</u>	<u>Combined Secured Property Tax Rate</u>	<u>% Change From Prior Year</u>
1996 - 1997	1.0000	0.1564	0.0266	1.1830	1.64%
1997 - 1998	1.0000	0.1643	0.0257	1.1900	0.59%
1998 - 1999	1.0000	0.1449	0.0201	1.1650	-2.10%
1999 - 2000	1.0000	0.1277	0.0013	1.1290	-3.08%
2000 - 2001	1.0000	0.1348	0.0012	1.1360	0.62%
2001 - 2002	1.0000	0.1236	0.0004	1.1240	-1.05%
2002 - 2003	1.0000	0.1167	0.0003	1.1170	-0.62%
2003 - 2004	1.0000	0.1068	0.0002	1.1070	-0.90%
2004 - 2005	1.0000	0.1284	0.0156	1.1440	3.35%
2005 - 2006	1.0000	0.1201	0.0199	1.1400	-0.35%
2006 - 2007	1.0000	0.0966	0.0384	1.1350	-0.43%
2007 - 2008	1.0000	0.1037	0.0373	1.1410	0.53%
2008 - 2009	1.0000	0.1053	0.0577	1.1630	1.93%
2009 - 2010	1.0000	0.1084	0.0506	1.1590	-0.34%
2010 - 2011	1.0000	0.1121	0.0519	1.1640	0.43%
2011 - 2012	1.0000	0.1147	0.0571	1.1718	0.67%
2012 - 2013	1.0000	0.1083	0.0608	1.1691	-0.23%
2013 - 2014	1.0000	0.1195	0.0685	1.1880	1.38%
2014 - 2015	1.0000	0.1195	0.0548	1.1743	-1.15%
2015 - 2016	1.0000	0.1135	0.0691	1.1826	0.71%
2016-2017	1.0000	0.1190	0.0569	1.1759	-0.57%

# Attachment B

## CITY AND COUNTY OF SAN FRANCISCO Debt Service Requirements - General Obligation Bonds Comparative Statement - Fiscal Year 2016-2017 and 2015-2016

Bond Description	FY 2016-2017	FY 2016-2017	FY 2016-2017	FY 2015-2016	INCREASE/ DECREASE
	Principal	Interest	Total	Total	
<b>GENERAL CITY</b>					
1992 UMB Program - Seismic Safety, Series 2007A (1st to 7th draw)	\$ 1,304,110	\$ 1,106,643	\$ 2,410,753	\$ 2,410,754	\$ (1)
1992 UMB Program - Seismic Safety, Series 2014C (Estimate)	-	-	-	1,325,694	(1,325,694)
1992 UMB Program - Seismic Safety, Series 2015A (Estimate)	-	260,000	260,000	-	260,000
2008 Clean and Safe Neighborhood Parks, Series 2010B	2,390,000	343,875	2,733,875	2,737,875	(4,000)
2008 Clean and Safe Neighborhood Parks, BAB Series 2010D	-	1,956,703	1,956,703	1,956,703	-
2008 Clean and Safe Neighborhood Parks, Series 2012B	2,540,000	1,810,226	4,350,226	4,353,026	(2,800)
2008 Clean and Safe Neighborhood Parks, Series 2015C (Estimate)	-	-	-	578,380	(578,380)
2008 Clean and Safe Neighborhood Parks, Series 2016A	295,000	283,000	578,000	-	578,000
2012 Clean and Safe Neighborhood Parks, Series 2013A	1,725,000	2,043,000	3,768,000	3,765,000	3,000
2012 Clean and Safe Neighborhood Parks, Series 2015D (Estimate)	-	-	-	16,875,155	(16,875,155)
2012 Clean and Safe Neighborhood Parks, Series 2016B	950,000	917,900	1,867,900	-	1,867,900
2008 San Francisco General Hospital Improvement Bonds, Series 2009A	5,010,000	803,813	5,813,813	5,816,613	(2,800)
2008 San Francisco General Hospital Improvement Bonds, Series 2010A	11,665,000	1,677,963	13,342,963	13,343,463	(500)
2008 San Francisco General Hospital Improvement Bonds, BAB Series 2010C	-	9,540,977	9,540,977	9,540,977	-
2008 San Francisco General Hospital Improvement Bonds, Series 2012D	7,305,000	7,750,750	15,055,750	15,053,500	2,250
2008 San Francisco General Hospital Improvement Bonds, Series 2014A	6,980,000	7,729,613	14,709,613	14,706,862	2,751
2010 Earthquake Safety & Emergency Response, Series 2010E	2,250,000	2,213,000	4,463,000	4,460,000	3,000
2010 Earthquake Safety & Emergency Response, Series 2012A	6,020,000	5,469,500	11,489,500	11,486,000	3,500
2010 Earthquake Safety & Emergency Response, Series 2012E	1,405,000	1,488,700	2,893,700	2,890,450	3,250
2010 Earthquake Safety & Emergency Response, Series 2013B	745,000	880,950	1,625,950	1,621,200	4,750
2010 Earthquake Safety & Emergency Response, Series 2014C	3,245,000	2,020,813	5,265,813	6,607,213	(1,341,400)
2010 Earthquake Safety & Emergency Response, Series 2016C	850,000	875,325	1,725,325	-	1,725,325
2010 Earthquake Safety & Emergency Response, Series 2014D	5,950,000	3,701,313	9,651,313	12,120,113	(2,468,800)
2014 Earthquake Safety & Emergency Response, Series 2015E (Estimate)	-	-	-	1,107,248	(1,107,248)
2010 Earthquake Safety & Emergency Response, Series 2015F (Estimate)	-	-	-	28,258,397	(28,258,397)
2014 Earthquake Safety & Emergency Response, Series 2016D	2,865,000	2,953,013	5,818,013	-	5,818,013
2011 Road Repaving and Street Safety, Series 2012C	2,600,000	1,853,150	4,453,150	4,453,150	-
2011 Road Repaving and Street Safety, Series 2013C	3,105,000	3,676,700	6,781,700	6,779,450	2,250
2011 Road Repaving and Street Safety, Series 2015D (Estimate)	-	-	-	1,949,350	(1,949,350)
2011 Road Repaving and Street Safety, Series 2016E	1,485,000	1,531,900	3,016,900	-	3,016,900
2014 Transportation & Road Improvements, Series 2015B	1,630,000	1,822,131	3,452,131	-	3,452,131
2014 Transportation & Road Improvements, Series 2016G (Estimate)	20,000,000	1,564,237	21,564,237	-	21,564,237
2015 Affordable Housing, Series 2016F (Estimate)	20,000,000	3,208,655	23,208,655	-	23,208,655
2016 Public Health, Series 2016H (Estimate)	20,000,000	6,799,667	26,799,667	-	26,799,667
2008 General Obligation Bond Refunding, Series 2008 R1	1,495,000	326,800	1,821,800	14,725,600	(12,903,800)
2008 General Obligation Bond Refunding, Series 2008 R2	5,425,000	527,488	5,952,488	5,955,988	(3,500)
2008 General Obligation Bond Refunding, Series 2008 R3 (Laguna Honda)	-	-	-	-	-
2011 General Obligation Bond Refunding, Series 2011 R1	24,700,000	11,141,900	35,841,900	35,869,400	(27,500)
2015 General Obligation Bond Refunding, Series 2015 R1	16,070,000	13,218,000	29,288,000	29,286,000	2,000
2015 Transportation & Road Improvement, Series 2015B (Estimate)	-	-	-	22,043,126	(22,043,126)
SUB-TOTAL GENERAL CITY BEFORE NET PREMIUM & FEDERAL SUBS	\$ 180,004,110	\$ 100,497,705	\$ 280,501,815	\$ 282,076,687	\$ (1,574,872)
<b>FEDERAL SUBSIDY AVAILABLE FOR DEBT SERVICE PAYMENT</b>					
2010 Earthquake Safety & Emergency Response, Series 2014C	-	(1,669,589)	(1,669,589)	(2,197,213)	527,624
2010 Earthquake Safety & Emergency Response, Series 2016C	-	(875,325)	(875,325)	-	(875,325)
2011 Road Repaving & Street Safety, Series 2016E	-	(1,531,900)	(1,531,900)	-	(1,531,900)
2014 Earthquake Safety & Emergency Response, Series 2014D	-	(3,057,489)	(3,057,489)	(4,025,112)	967,623
2014 Earthquake Safety & Emergency Response, Series 2016D	-	(2,953,013)	(2,953,013)	-	(2,953,013)
2008 San Francisco General Hospital Improvement Bonds, Series 2014A	-	-	-	(4,452,160)	4,452,160
2008 San Francisco General Hospital Improvement Bonds, BAB Series 2010C	-	(3,112,266)	(3,112,266)	(3,339,342)	227,076
2008 Clean and Safe Neighborhood Parks, BAB 2010D	-	(638,276)	(638,276)	(684,846)	46,570
2008 Clean and Safe Neighborhood Parks, Series 2016A	-	(283,000)	(283,000)	-	(283,000)
2012 Clean and Safe Neighborhood Parks, Series 2016B	-	(917,900)	(917,900)	-	(917,900)
2015 General Obligation Bond Refunding, Series 2015 R1	-	-	-	(565,032)	565,032
2014 Transportation & Road Improvement, Series 2015B	-	(660,688)	(660,688)	-	(660,688)
2015 Transportation & Road Improvement, Series 2015B	-	-	-	(2,043,126)	2,043,126
SB 1128 Reimbursement	(4,048,097)	-	(4,048,097)	-	(4,048,097)
Tobacco Settlement Revenue Reimbursement	(6,331,903)	(8,822,150)	(15,154,053)	(19,243,400)	4,089,347
TOTAL FEDERAL SUBSIDY	(10,380,000)	(24,521,596)	(34,901,596)	(36,550,231)	1,648,635
SUB-TOTAL GENERAL CITY NET OF NET PREMIUM & FEDERAL SUBS	169,624,110	75,976,109	245,600,219	245,526,456	73,763
<b>OUTSIDE CITY ANNUAL BUDGET</b>					
<b>SAN FRANCISCO COMMUNITY COLLEGE DISTRICT (SFCCD)</b>					
2001 Community College District, 2002 Series A	\$ -	\$ -	\$ -	\$ 1,591,200	\$ (1,591,200)
2005 Community College District, 2006 Series A	-	-	-	3,076,500	(3,076,500)
2005 Community College District, 2010 Series C	1,425,000	144,813	1,569,813	1,569,613	200
2005 Community College District, 2010 Series D	-	1,497,300	1,497,300	1,497,300	-
2015 Community College District, Refunding Bonds	14,000,000	10,949,950	24,949,950	20,812,200	4,137,750
SUB-TOTAL SF COMMUNITY COLLEGE DISTRICT BEFORE NET BID PR	\$ 15,425,000	\$ 12,592,063	\$ 28,017,063	\$ 28,546,813	\$ (529,750)
<b>SAN FRANCISCO UNIFIED SCHOOL DISTRICT (SFUSD)</b>					
2003 Unified School District, 2006 Series C	\$ -	\$ -	\$ -	\$ 7,159,894	\$ (7,159,894)
2006 Unified School District, 2007 Series A	4,770,000	1,073,100	5,843,100	7,481,300	(1,638,200)
2006 Unified School District, 2009 Series B	9,450,000	4,303,263	13,753,263	13,770,413	(17,150)
2006 Unified School District, 2010 Series C (QSCBs)	-	742,969	742,969	742,969	-
2006 Unified School District, 2010 Series D (BABS)	-	4,150,420	4,150,420	4,150,420	-
2006 Unified School District, 2010 Series E	7,660,000	3,051,500	10,711,500	10,715,750	(4,250)
2011 Unified School District, 2012 Series A	4,385,000	4,397,600	8,782,600	8,781,350	1,250
2011 Unified School District, 2014 Series B	7,310,000	8,099,763	15,409,763	29,887,263	(14,477,500)
2011 Unified School District, 2015 Series C	7,060,000	8,645,063	15,705,063	-	15,705,063
2006 Unified School District, 2015 Series F	505,000	615,013	1,120,013	765,000	355,013
2008 Unified School District, 2015 Series C (\$211M Estimate)	-	-	-	10,772,333	(10,772,333)
2015 General Obligation Refunding Bonds	2,160,000	2,904,550	5,064,550	-	5,064,550
2012 General Obligation Refunding Bonds	8,170,000	3,639,950	11,709,950	11,703,700	6,250
SUB-TOTAL SF UNIFIED SCHOOL DISTRICT BEFORE NET BID PREMIUM	\$ 51,470,000	\$ 41,523,191	\$ 92,993,191	\$ 105,930,392	\$ (12,937,201)
<b>NET PREMIUM AVAILABLE FOR DEBT SERVICE PAYMENT</b>					
2006 Unified School District, 2010 Series C (QSCBs)	-	(654,414)	(654,414)	(702,161)	47,747
2006 Unified School District, 2010 Series D (BABS)	-	(1,353,866)	(1,353,866)	(1,452,547)	98,781
2011 Unified School District, Series B (2014)	-	-	-	(1,808,592)	1,808,592
TOTAL NET BID PREMIUM	\$ -	\$ (2,008,280)	\$ (2,008,280)	\$ (3,963,400)	\$ 1,955,120
SUB-TOTAL NET OF NET PREMIUM AVAILABLE FOR DEBT SERVICE PAY	\$ 51,470,000	\$ 39,514,911	\$ 90,984,911	\$ 101,966,992	\$ (10,982,081)
<b>BAY AREA RAPID TRANSIT DISTRICT (BART)</b>					
2004 BART Earthquake Safety Bonds, 2005 Series A	\$ -	\$ -	\$ -	\$ 907,079	\$ (907,079)
2004 BART Earthquake Safety Bonds, 2007 Series B	1,060,800	1,485,420	2,546,220	7,031,034	(4,484,814)
2004 BART Earthquake Safety Bonds, 2013 Series A	-	3,335,584	3,335,584	3,439,821	(104,237)
2015 BART General Obligation Bonds	-	3,953,680	3,953,680	-	3,953,680
SUB-TOTAL BAY AREA RAPID TRANSIT DISTRICT	\$ 1,060,800	\$ 8,774,684	\$ 9,835,484	\$ 11,377,934	\$ (1,542,450)
<b>SUB-TOTAL SFCCD, SFUSD AND BART</b>					
	\$ 67,955,800	\$ 60,881,658	\$ 128,837,458	\$ 141,891,739	\$ (13,054,281)
<b>TOTAL GENERAL OBLIGATIONS - GENERAL CITY, SFCCD, SFUSD, AND BART</b>					
	\$ 237,579,910	\$ 136,857,767	\$ 374,437,677	\$ 387,418,195	\$ (12,980,518)

# Attachment C

## COMPARATIVE TAX BILL

A comparative tax bill calculation of a home in San Francisco with an assessed value of \$500,000 in fiscal year 2015-2016 is as follows:

	<u>Assessed Value (100%)</u>	<u>Property Tax Rate per \$100 Value</u>	<u>Tax Bill</u>	<u>% Change</u>
<b><u>FY 2015-2016</u></b>				
Assessed Value FY 2015-16	\$500,000			
Less Homeowners' Exemption	<u>7,000</u>			
	<u>\$493,000</u>	\$1.1826	\$5,830.22	
<b><u>FY 2016-2017</u></b>				
Prior Year Assessed Value	\$500,000			
Add 1.525% Consumer Price Index (CPI) Increase	<u>7,625</u>			
Assessed Value FY 2016-17	\$507,625			
Less Homeowners' Exemption	<u>7,000</u>			
	<u>\$500,625</u>	<u>\$1.1759</u>	<u>\$5,886.85</u>	
<b>Increase / (Decrease)</b>		<b><u>(\$0.0067)</u></b>	<b><u>\$ 56.63</u></b>	<b>0.97%</b>