



Ben Rosenfield
Controller

Monique Zmuda
Deputy Controller

August 23, 2013

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 2013-14 Property Tax Rate Ordinance

Dear Ms. Calvillo:

I am submitting an ordinance for consideration to amend the tax levy for FY 2013-14. 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. Because of the Board of Supervisors' recess schedule, I hereby request these items be scheduled for the Budget & Finance Committee meeting no later than September 4, 2013 in order to satisfy this requirement.

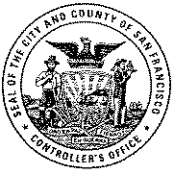
Please contact Jamie Whitaker, Property Tax Manager, at 415-554-7593 if you have questions regarding this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Ben Rosenfield", written over a large, faint, oval-shaped watermark or background.

Ben Rosenfield
Controller

CC: Victor Young, Budget & Finance Committee Clerk



Ben Rosenfield
Controller

Monique Zmuda
Deputy Controller

August 23, 2013

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 2013-2014 which the City and County of San Francisco administers. The Bay Area Rapid Transit District (BART) also adopts a debt service tax rate for their combined three county service area. The rate shown below includes the rate for BART, which was adopted at BART's August Board meeting. The composite property tax rate for fiscal year 2013-2014 is projected to be \$1.1880 for each \$100 of assessed value, an increase of \$0.0189 or 1.62 percent from the \$1.1691 rate established for fiscal year 2012-2013. The overall rate increase is attributable primarily to higher debt service requirements to be funded by property taxes for the City and County of San Francisco and the San Francisco Unified School District for fiscal year 2013-2014. Based on a \$1.1880 rate, the average tax bill for a home previously assessed at \$500,000 in fiscal year 2012-2013 will go from \$5,763.66 last fiscal year to \$5,975.64 in fiscal year 2013-2014, a \$211.98 or 3.68 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 0.01813305 debt service)	\$0.03257727	0.0400	\$0.07257727
San Francisco Unified School District (includes 0.04288739 debt service)	0.11987596	0.2133	0.33317596
CCSF - General Fund	0.81918319	(0.2533)	0.56588319
CSF -Library Preservation Fund	0.02500000		0.02500000
CCSF - Children's Fund	0.03000000		0.03000000
CCSF - Open Space Acquisition Fund	0.02500000		0.02500000
CCSF - Bond Interest and Redemption Fund	0.11947956		0.11947956
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	\$1.18050000		\$1.18050000
BART Debt Service	<u>0.00750000</u>		<u>0.00750000</u>
Total Combined Tax Rate	<u>\$1.18800000</u>		<u>\$1.18800000</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 1993-1994. Attachment B provides the anticipated fiscal year 2013-2014 general obligation bond debt service schedule (principal and interest) as presented in the Annual Appropriation Ordinance (AAO) and relevant to the property tax rate calculations. The estimate of general obligation bond debt service for the City and County has since been updated (and slightly reduced from what appears in Attachment B) for the purpose of calculating the property tax rate.

For fiscal year 2013-2014, the pass-through rate for residential tenants is \$0.0880 per \$100 of assessed value, or 8.8 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 2013-2014, the consumer price index adjustment authorized by the State is 2.00%. As shown in Attachment C, the combination of a tax rate of \$1.1880 for each \$100 of assessed value and the 2.00% consumer price index adjustment that increases the assessed value of the example residence from \$500,000 in fiscal year 2012-2013 to \$510,000 in fiscal year 2013-2014 results in a \$211.98 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>Schools & Special Districts G.O.</u>		<u>Combined Secured Property Tax Rate</u>	<u>% Change From Prior Year</u>
		<u>Bonds Tax Rate</u>	<u>Bonds Tax Rate</u>		
1993 - 1994	1.0000	0.1221	0.0279	1.1500	0.00%
1994 - 1995	1.0000	0.1354	0.0276	1.1630	1.13%
1995 - 1996	1.0000	0.1367	0.0273	1.1640	0.08%
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	1.169100	-0.23%
2013 - 2014	1.0000	0.1195	0.0685	1.188000	1.62%

Attachment B

CITY AND COUNTY OF SAN FRANCISCO Debt Service Requirements - General Obligation Bonds Comparative Statement - Fiscal Year 2013-2014 and 2012-2013

Bond Description	FY 2013-2014 Principal	FY 2013-2014 Interest	FY 2013-2014 Total	FY 2012-2013 Total	INCREASE/ (DECREASE)
GENERAL CITY					
1994 UMB Program - Seismic Safety, Series 2007A (1st to 7th draw)	-	-	-	2,410,753	(2,410,753)
1992 UMB Program - Seismic Safety, Series 2007A (1st to 7th draw)	1,129,486	1,281,268	2,410,754	-	2,410,754
1994 UMB Program - Seismic Safety, Series 2007A 8th draw (Estimate)	-	-	-	148,639	(148,639)
2000 Branch Library Facilities Improvement, Series 2008A	1,270,000	1,069,506	2,339,506	-	2,339,506
2000 California Academy of Sciences, Series 2004B	-	-	-	2,348,706	(2,348,706)
2008 Clean and Safe Neighborhood Parks 2008B	1,715,000	1,518,431	3,233,431	3,235,181	(1,750)
2008 Clean and Safe Neighborhood Parks 2010B	2,065,000	669,625	2,734,625	2,738,125	(3,500)
2008 Clean and Safe Neighborhood Parks, BAB 2010D	-	1,956,703	1,956,703	1,956,703	-
2008 Clean and Safe Neighborhood Parks, 2012	-	-	-	4,353,276	(4,353,276)
2008 Clean and Safe Neighborhood Parks, Series 2012B	2,260,000	2,092,426	4,352,426	-	4,352,426
2008 Clean and Safe Neighborhood Parks, Series 2013E (Estimate)	130,000	281,138	411,138	-	411,138
2012 Clean and Safe Neighborhood Parks, Series 2013A	8,795,000	3,296,372	12,091,372	-	12,091,372
2008 San Francisco General Hospital Improvement Bonds, Series 2009A	4,415,000	5,218,988	9,633,988	9,633,788	200
2008 San Francisco General Hospital Improvement Bonds, Series 2010A	10,075,000	3,266,213	13,341,213	13,340,963	250
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	26,800,000	9,769,750	36,569,750	44,679,719	(8,109,969)
2008 San Francisco General Hospital Improvement Bonds, Series 2013D (Estimate)	10,490,000	6,788,545	17,278,545	-	17,278,545
2010 Earthquake Safety & Emergency Response, Series 2010E	1,945,000	3,653,250	5,598,250	5,595,750	2,500
2010 Earthquake Safety & Emergency Response, Series 2012A	5,300,000	6,188,400	11,488,400	11,487,750	650
2010 Earthquake Safety & Emergency Response, Series 2012E	1,595,000	1,698,950	3,293,950	2,092,217	1,201,733
2010 Earthquake Safety & Emergency Response, Series 2013B	3,785,000	1,420,838	5,205,838	-	5,205,838
2011 Road Repaving and Street Safety S2012C	2,310,000	2,141,750	4,451,750	4,454,100	(2,350)
2011 Road Repaving and Street Safety S2013C	15,830,000	5,934,318	21,764,318	-	21,764,318
2011 General Obligation Bond Refunding Series 2011 R1	26,230,000	14,755,150	40,985,150	49,447,150	(8,462,000)
2006 General Obligation Bond Refunding, Series 2006 R1	8,430,000	2,353,450	10,783,450	10,763,950	19,500
2006 General Obligation Bond Refunding, Series 2006 R2	4,650,000	1,108,695	5,758,695	5,779,823	(21,128)
2008 General Obligation Bond Refunding, Series 2008 R1	18,265,000	2,453,100	20,718,100	20,733,600	(15,500)
2008 General Obligation Bond Refunding, Series 2008 R2	3,415,000	1,202,738	4,617,738	4,620,488	(2,750)
2008 General Obligation Bond Refunding, Series 2008 R3 (Laguna Honda)	-	5,847,138	5,847,138	5,847,138	-
SUB-TOTAL GENERAL CITY BEFORE NET PREMIUM & FEDERAL SUBSIDY	\$ 160,899,486	\$ 95,507,719	\$ 256,407,205	\$ 215,208,796	\$ 41,198,409
FEDERAL SUBSIDY AVAILABLE FOR DEBT SERVICE PAYMENT					
2010 Earthquake Safety & Emergency Response Series 2012E	\$ (1,595,000)	\$ (1,698,950)	\$ (3,293,950)	\$ -	\$ (3,293,950)
2012 Clean & Safety Neighborhood Parks Series 2013A	-	\$ (3,296,372)	\$ (3,296,372)	\$ -	\$ (3,296,372)
2010 Earthquake Safety & Emergency Response Series 2013B	-	\$ (1,420,838)	\$ (1,420,838)	\$ -	\$ (1,420,838)
2011 Road Repaving & Street Safety Series 2013C	-	\$ (5,934,318)	\$ (5,934,318)	\$ -	\$ (5,934,318)
2008 Clean and Safe Neighborhood Parks, BAB 2010D	-	\$ (625,264)	\$ (625,264)	\$ (684,846)	\$ 59,582
Tobacco Settlement Revenue and SB1125 Reimbursement	(9,140,000)	\$ (11,446,288)	\$ (20,586,288)	\$ (20,665,288)	\$ 79,000.00
2008 San Francisco General Hospital Improvement Bonds, BAB Series 2010C	-	\$ (3,048,819)	\$ (3,048,819)	\$ (3,339,342)	\$ 290,523.00
TOTAL FEDERAL SUBSIDY	\$ (10,735,000)	\$ (27,470,849)	\$ (38,205,849)	\$ (24,689,476)	\$ (13,516,373)
SUB-TOTAL GENERAL CITY NET OF NET PREMIUM & FEDERAL SUBSIDY	\$ 150,164,486	\$ 68,036,870	\$ 218,201,356	\$ 190,519,320	\$ 27,682,036
OUTSIDE CITY ANNUAL BUDGET					
SAN FRANCISCO COMMUNITY COLLEGE DISTRICT (SFCCD)					
2001 Community College District, 2002 Series A	\$ 1,335,000	\$ 1,395,369	\$ 2,730,369	\$ 2,733,631	\$ (3,262)
2001 Community College District, 2004 Series B	5,120,000	3,378,106	8,498,106	8,570,356	(72,250)
2001 Community College District, 2006 Series C	1,390,000	1,880,338	3,270,338	3,271,588	(1,250)
2005 Community College District, 2006 Series A	2,660,000	3,574,678	6,234,678	6,214,246	20,432
2005 Community College District, 2007 Series B	3,395,000	4,565,856	7,960,856	7,962,606	(1,750)
2005 Community College District, 2010 Series C	1,280,000	290,613	1,570,613	1,569,813	800
2005 Community College District, 2010 Series D	-	1,497,300	1,497,300	1,497,300	-
SUB-TOTAL SF COMMUNITY COLLEGE DISTRICT BEFORE NET BID PREMIUM	\$ 15,180,000	\$ 16,582,260	\$ 31,762,260	\$ 31,819,540	\$ (57,280)
SAN FRANCISCO UNIFIED SCHOOL DISTRICT (SFUSD)					
2003 Unified School District, Series C (2006)	3,990,000	3,171,744	7,161,744	7,160,144	1,600
2006 Unified School District, Series A (2007)	4,100,000	3,381,550	7,481,550	7,484,350	(2,800)
2006 Unified School District, Series B (2009)	8,260,000	5,461,413	13,721,413	13,672,213	49,200
2006 Unified School District, 2010 Series C (CSBCs)	-	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	6,695,000	4,016,850	10,711,850	10,712,100	(250)
2011 Unified School District, 2012 Series A	3,790,000	4,994,850	8,784,850	8,785,350	(500)
2011 Unified School District, 2013 Series B	5,130,000	6,644,260	11,774,260	-	11,774,260
2012 General Obligation Refunding Bonds	7,395,000	4,321,635	11,716,635	11,708,385	8,250
SUB-TOTAL SF UNIFIED SCHOOL DISTRICT BEFORE NET BID PREMIUM	\$ 39,360,000	\$ 36,885,691	\$ 76,245,691	\$ 64,415,931	\$ 11,829,760
NET PREMIUM AVAILABLE FOR DEBT SERVICE PAYMENT					
2006 Unified School District, Series C (2010) QSCBs	-	\$ (641,073)	\$ (641,073)	\$ (702,161)	\$ 61,088
2006 Unified School District, Series D (2010) BABs	-	\$ (1,326,267)	\$ (1,326,267)	\$ (1,452,647)	\$ 126,380
TOTAL NET BID PREMIUM	\$ -	\$ (1,967,340)	\$ (1,967,340)	\$ (2,154,808)	\$ 187,468
SUB-TOTAL NET OF NET PREMIUM AVAILABLE FOR DEBT SERVICE PAYMENT	\$ 39,360,000	\$ 34,918,351	\$ 74,278,351	\$ 62,261,123	\$ 12,017,228
BAY AREA RAPID TRANSIT DISTRICT (BART)					
2004 BART Earthquake Safety Bonds Series A	\$ 334,950	\$ 572,258	\$ 907,208	\$ 879,179	\$ 28,029
2004 BART Earthquake Safety Bonds Series B	663,300	5,998,464	6,661,764	6,294,260	367,504
SUB-TOTAL BAY AREA RAPID TRANSIT DISTRICT	\$ 998,250	\$ 6,570,722	\$ 7,568,972	\$ 7,173,439	\$ 395,533
SUB-TOTAL SFCCD, SFUSD AND BART	\$ 55,538,250	\$ 58,071,333	\$ 113,609,583	\$ 101,254,102	\$ 12,355,481
TOTAL GENERAL OBLIGATIONS - GENERAL CITY, SFCCD, SFUSD AND BART					
	\$ 205,702,736	\$ 128,108,203	\$ 333,810,939	\$ 291,773,422	\$ 40,037,517

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 2012-2013 is as follows:

	<u>Assessed Value (100%)</u>	<u>Property Tax Rate per \$100 Value</u>	<u>Tax Bill</u>	<u>% Change</u>
<u>FY 2012-2013</u>				
Assessed Value FY 2012-13	\$500,000			
Less Homeowners' Exemption	<u>7,000</u>			
	<u>\$493,000</u>	\$1.1691	\$5,763.66	
<u>FY 2013-2014</u>				
Prior Year Assessed Value	\$500,000			
Add 2.00% Consumer Price Index (CPI) Increase	<u>10,000</u>			
Assessed Value FY 2013-14	\$510,000			
Less Homeowners' Exemption	<u>7,000</u>			
	<u>\$503,000</u>	<u>\$1.1880</u>	<u>\$5,975.64</u>	
Increase / (Decrease)		<u>\$0.0189</u>	<u>\$ 211.98</u>	+3.68%