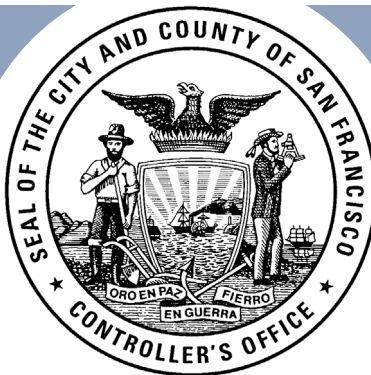


FY 2024-25 City and County of San Francisco Appropriations Limit

Budget and Finance Committee
March 19, 2025



CITY & COUNTY OF SAN FRANCISCO

Office of the Controller
Budget and Analysis Division

Background

California Propositions 4 (1979) and 98 (1988) amended the California Constitution to create the “Gann Limit,” a limit on appropriations from tax proceeds.

- The Gann Limit for the current fiscal year starts with the appropriations subject to limitation in the base year (1986-87) and inflates that amount each year by the percentage increases in population and cost of living.
- Certain appropriations are *not* subject to the Gann Limit, including qualified capital outlays, voter-approved debt, and federal mandates.
- If a government exceeds the Gann Limit on average over two consecutive fiscal years, it is required to return the excess to taxpayers, usually by reducing taxes.

Factors in the Annual Limit Increase

- The Gann Limit is increased each year by population growth and a cost-of-living factor, which is either the growth in California per capita personal income, or the percentage increase in the assessment rolls in the City due to new construction.
- In 2024, population growth in the City was 0.11% and -0.16% in the 9 Bay Area Counties. The City can choose whichever population growth is greater.
- The growth in California per capita personal income was 3.62% and the percentage increase in the assessment rolls due to new construction was 16.95%. The City can choose the greater of these two factors.
- The total percentage increase in the Gann Limit for this year is 17.08%

Temporary, Voter-Approved Increases

- With voter approval, the Gann Limit can be increased for up to four years.
- There are currently no voter approved overrides.
- Beginning in FY 2025-26, voters approved an override for all revenue collected due to business tax reform (Proposition M 2024).

Fiscal Year 2024-25 Appropriations Limit

- FY 2023-24 Base Limit: \$10,038,349,297
- 2024 SF Population Increase: 0.11%
- 2024 Increase in Cost of Living: 16.95%
- Temporary Voter Approved Increase: \$0
- FY 2024-25 Limit: \$11,752,763,337

Appropriations Subject to Limit

FY 2024-25 Estimated Total Tax Proceeds:	\$ 6,114,203,922
Less Appropriations Excluded from the Limit:	
Voter-Approved Debt:	-\$ 476,991,029
Qualified Capital Outlay:	-\$ 143,491,992
Federal Mandates (FICA / ADA Compliance) :	<u>-\$ 117,665,827</u>
<i>Net Tax Proceeds:</i>	<u>\$ 5,376,055,074</u>
 FY 2024-25 Appropriations Limit:	 \$ 11,752,763,337
Net Tax Proceeds:	<u>-\$ 5,376,055,174</u>
Amount Below Limit:	\$ 6,376,708,263



FY24-25 Gann Limit: Special Tax Districts & Infrastructure and Revitalization Financing Districts



Controller's Office
of Public Finance

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Factors in the Annual Limit Increase for Development Districts

- Community Facilities Districts (“CFDs”), Special Tax Districts (“STDs”), and Infrastructure and Revitalization Financing Districts (“IRFDs”), (together “Development Districts”), are legally constituted government entities with appropriations limits established for each Development District
- The Gann Limit for the starts with the appropriations limits established at the formation of each Development District (or annexation of each Improvement Area) and is escalated each year by population growth and a cost-of living factor:
 - Between January 1, 2023 and January 1, 2024, San Francisco’s population increased by 0.11% (*per CA Department of Finance*)
 - Cost of living is determined using the change in California per capita personal income. The change in per capita income for fiscal year 2023-24 is 3.62% (*per CA Department of Finance*)
 - The total adjustment factor for FY24-25 is 3.73%

FY2024-25 Appropriations Limit for Development Districts

District	FY2023-24 Appropriations Limit	FY2024-25 Appropriations Limit (3.73% Adjustment)
Special Tax District No. 2009-1 (San Francisco Sustainable Financing)		
Improvement Area No. 1	\$2,317,766	\$2,404,311
Improvement Area No. 2	\$2,838,650	\$2,944,645
Community Facilities District No. 2014-1 (Transbay Transit Center)	\$462,536,104	\$479,807,119
Community Facilities District No. 2016-1 (Treasure Island)		
Improvement Area No. 1	\$124,000,450	\$128,630,605
Improvement Area No. 2	\$91,448,982	\$94,863,671
Improvement Area No. 3	\$244,872,625	\$254,016,124
Special Tax District No. 2019-1 (Pier 70 Condominiums)	\$2,042,681,472	\$2,118,954,831
Special Tax District No. 2019-2 (Pier 70 Leased Properties)	\$2,215,953,228	\$2,298,696,523
Special Tax District No. 2020-1 (Mission Rock Facilities and Services)	\$4,452,121,494	\$4,618,362,909
Special Tax District No. 2022-1 (Power Station), Improvement Area No. 1	\$955,553,717	\$991,233,920
IRFD No. 1 (Treasure Island)	\$264,534,293	\$274,411,956
IRFD No. 2 (Hoedown Yard, Pier 70)	\$115,217,410	\$119,519,607

Appendix



Appropriations Limits for CFDs & STDs

Appropriations Limit Change Factors ⁽¹⁾					IA No.1 STD 2009-1 Sustainable Financing As of 10/2012 ⁽²⁾	IA No.2 STD 2009-1 Sustainable Financing As of 11/2014 ⁽²⁾	CFD 2014-1 Transbay Transit Center As of 9/2014 ⁽³⁾	IA No.1 CFD 2016-1 Treasure Island As of 1/2017 ⁽³⁾	IA No.2 CFD 2016-1 Treasure Island As of 4/2020 ⁽²⁾	IA No.3 CFD 2016-1 Treasure Island As of 12/2020 ⁽²⁾	STD 2019-1 Pier 70 (Condominiums) As of 1/2020 ⁽³⁾	STD 2019-2 Pier 70 (Leased Properties) As of 1/2020 ⁽³⁾	STD 2020-1 Mission Rock As of 4/2020 ⁽³⁾	STD 2022-1 Power Station As of 3/2022 ⁽³⁾
Year	Total County Population Change Factor	California Per Capita Personal Income Factor	Appropriations Limit Adjustment Factor	FY Change	\$1,400,000	\$1,841,143.05	\$300,000,000	\$90,000,000	\$76,000,000	\$212,700,000	\$1,697,600,000	\$1,841,600,000	\$3,700,000,000	\$863,000,000
Jan 2014 to Jan 2015	1.22%	3.82%	1.0509	2015-16	\$1,579,765	\$1,934,795	\$315,259,812							
Jan 2015 to Jan 2016	1.06%	5.37%	1.0649	2016-17	\$1,682,243	\$2,060,303	\$335,710,470							
Jan 2016 to Jan 2017	1.08%	3.69%	1.0481	2017-18	\$1,763,157	\$2,159,401	\$351,857,647	\$94,328,867						
Jan 2017 to Jan 2018	1.14%	3.67%	1.0485	2018-19	\$1,848,702	\$2,264,172	\$368,929,210	\$98,905,551						
Jan 2018 to Jan 2019	0.33%	3.85%	1.0419	2019-20	\$1,926,213	\$2,359,102	\$384,397,323	\$103,052,369						
Jan 2019 to Jan 2020	0.76%	3.73%	1.0452	2020-21	\$2,013,246	\$2,465,694	\$401,765,732	\$107,708,633	\$79,433,944		\$1,774,303,476	\$1,924,809,897	\$3,867,178,876	
Jan 2020 to Jan 2021	-1.66%	5.73%	1.0397	2021-22	\$2,093,270	\$2,563,702	\$417,735,446	\$111,989,924	\$82,591,350	\$221,154,574	\$1,844,829,945	\$2,001,318,819	\$4,020,894,673	
Jan 2021 to Jan 2022	-0.79%	7.55%	1.0670	2022-23	\$2,233,526	\$2,735,480	\$445,725,204	\$119,493,647	\$88,125,264	\$235,972,716	\$1,968,440,101	\$2,135,414,284	\$4,290,308,890	\$920,824,064
Jan 2022 to Jan 2023	-0.64%	4.44%	1.0377	2023-24	\$2,317,766	\$2,838,650	\$462,536,104	\$124,000,450	\$91,448,982	\$244,872,625	\$2,042,681,472	\$2,215,953,228	\$4,452,121,494	\$955,553,717
Jan 2023 to Jan 2024	0.11%	3.62%	1.0373	2024-25	\$2,404,311	\$2,944,645	\$479,807,119	\$128,630,605	\$94,863,671	\$254,016,124	\$2,118,954,831	\$2,298,696,523	\$4,618,362,909	\$991,233,920

1 The total County Population Change Factor and California Per Capital Personal Income Factor per the California State Department of Finance. The Appropriations Limit Adjustment Factor is determined by multiplying the Population Change Factor by the Income Factor.

Sources: California Department of Finance; Goodwin Consulting Group, Inc.

2 Date of Unanimous Approval.

3 Resolution of Formation approval date.

Appropriations Limits for IRFDs

Year	Appropriations Limit Change Factors ⁽¹⁾			FY Change	IRFD No. 1	IRFD No. 2
	Total County Population Change Factor	California Per Capita Personal Income Factor	Appropriations Limit Adjustment Factor		Treasure Island As of 2/2017 ⁽²⁾	Hoedown Yard - Pier 70 As of 10/2018 ⁽²⁾
					\$192,000,000	\$91,900,000
Jan 2016 to Jan 2017	1.08%	3.69%	1.0481	2017-18	\$201,234,916	
Jan 2017 to Jan 2018	1.14%	3.67%	1.0485	2018-19	\$210,998,508	
Jan 2018 to Jan 2019	0.33%	3.85%	1.0419	2019-20	\$219,845,053	\$95,753,096
Jan 2019 to Jan 2020	0.76%	3.73%	1.0452	2020-21	\$229,778,418	\$100,079,554
Jan 2020 to Jan 2021	-1.66%	5.73%	1.0397	2021-22	\$238,911,838	\$104,057,598
Jan 2021 to Jan 2022	-0.79%	7.55%	1.0670	2022-23	\$254,919,780	\$111,029,827
Jan 2022 to Jan 2023	-0.64%	4.44%	1.0377	2023-24	\$264,534,293	\$115,217,410
Jan 2023 to Jan 2024	0.11%	3.62%	1.0373	2024-25	\$274,411,956	\$119,519,607

1 The total County Population Change Factor and California Per Capital Personal Income Factor per the California State Department of Finance. The Appropriations Limit Adjustment Factor is determined by multiplying the Population Change Factor by the Income Factor.

Sources: California Department of Finance; Goodwin Consulting Group, Inc.

2 Ordinance/Resolution forming IRFD and adopting an Infrastructure Financing Plan approval date.