



August 7, 2015

The Honorable John K. Stewart  
Presiding Judge  
Superior Court of California, County of San Francisco  
400 McAllister Street  
San Francisco, CA 94102

Dear Judge Stewart:

Pursuant to Penal Code sections 933 and 933.05, the following is in reply to the 2014-2015 Civil Grand Jury continuity report, *Office of the Assessor-Recorder: Despite Progress, Still The Lowest Rated Office in the State*. I would like to thank the members of the Civil Grand Jury for their interest in the operations of the Office.

The Office of the Assessor-Recorder serves a crucial role in the City's operations. It is charged with assessing all taxable property in San Francisco and is committed to providing fair and equitable treatment of taxpayers while delivering outstanding public service.

The Jury found that while the Assessor-Recorder has made significant strides since the Jury's last report, in Fiscal Year 2005-06; this is a success for which the department should be commended. Responses to the Civil Grand Jury's findings and recommendations follow.

**Findings:**

Finding 1: The Office of Assessor- Recorder has made progress in clearing up the backlog, and as of February 2015, only 39 properties had exceeded the four-year statute of limitations. Nevertheless, a severe backlog problem remains.

**Agree.**

Finding 2: The lag in issuing assessments delays the receipt of tax revenue, leads to a loss in interest earnings on property tax revenue, and puts a burden on taxpayers who "are entitled to timely notification of assessments." (2013 BOE Survey)

**Agree.**

Finding 3: The funding from SCAPP and the matching monies from the City and County provides an opportunity to eliminate the Office of Assessor-Recorder backlog and raise their BOE rating.

**Agree.** While the SCAPP funding is an important resource, it is not sufficient to completely eliminate the Assessor-Recorder's backlog. To that end, the Mayor has made important investments in the department over the past several fiscal years, both in staffing and technology. The department's funded position count has increased from 152 in FY 2013-14 to 190 in the FY 2015-16 budget; this is a 25% increase in department staffing. In addition, the Mayor has included funding for replacement of the department's

property tax assessment database, which was identified as a Major IT Project by the City's Committee on Information Technology (COIT), with a total funding need of \$13.0 million over the next 5 years. Though these investments are expected to reduce the backlog and raise the department's BOE rating, neither outcome is guaranteed at this time.

Finding 4: The funding from SCAPP is limited in time and does not cover other OAR personnel needs, including key administrative positions that can keep the backlog reduction momentum going.

**Agree.** The funding from SCAPP is limited and does not cover key administrative positions. In recognition of this, the Fiscal Years 2015-16 and 2016-17 budget includes additional administrative positions at the Assessor-Recorder's Office.

Finding 5: OAR does not have a written staffing analysis and plan to reduce the remaining backlog of unassessed properties.

**Disagree, Partially.** The Assessor-Recorder does produce a staffing analysis each year in order to provide sufficient staff to process workload and reduce the backlog. The department is developing a formal plan to reduce the remaining backlog. This plan is expected to be completed by the end of Fiscal Year 2015-16.

Finding 6: There is still a need to communicate with the Department of Building Inspection about OAR needs in terms of the flow of information between the two departments, which has the potential for greater efficiencies for the OAR.

**Agree.**

Finding 7: There is a disconnect between the OAR Annual Report and the recommendations that have come from Civil Grand Jury, Controller, and State Board of Equalization reports. The Annual Report fails to clearly address the progress made, or the lack thereof, in its operations that stem from the recommendations that come from these outside agencies.

**Agree.** While there has been a disconnect in the past, the Mayor looks forward to the forthcoming 2015 Annual Report, which will incorporate recommendations from the Civil Grand Jury, Controller, and State Board of Equalization.

**Recommendations:**

Recommendation 1: The Office of Assessor-Recorder should raise the bar by meeting the state requirement and clear the backlog by the end of FY16-17.

**Requires further analysis.** Please see the department's response regarding the feasibility of clearing the backlog by the end of FY 2016-17. The Mayor supports the goal of clearing the backlog and as a result the budget has included funds for significant staffing and IT investments for the Assessor-Recorder's Office over the past several fiscal years.

Recommendation 2: The Office of Assessor-Recorder needs to conduct a staffing analysis and generate an aggressive written long-term plan to maintain a backlog-free OAR before the end of CY2015.

**Has not been, but will be, implemented in the future.** Please see the department's response for information on its plan to implement this recommendation by the end of Fiscal Year 2015-16. The Mayor encourages the department to generate a long-term plan, which will supplement its practice of producing an annual staffing analysis.

Recommendation 3: The City and County needs to provide General Fund money (from the expected increase in revenue from property taxes due to a more productive OAR) in the FY15-16 budget to support new funding for key administrative positions and on-going funding for OAR positions after the expiration of the three-year grant.

**Recommendation has been implemented.** The adopted Fiscal Year 2015-16 budget includes a \$655,634 increase in General Fund support for the Assessor-Recorder's Office; 18 new positions are included in that funding increase.

Recommendation 4: The Office of Assessor-Recorder should regularly meet with staff from DBI to transfer data more efficiently between the departments before the end of CY15.

**Recommendation has been implemented.** As noted in the Assessor-Recorder's response, this recommendation has been implemented.

Recommendation 5: The 2015 and on-going OAR Annual Reports need to be written in a more explicit, consumer-friendly, jargon-free fashion, highlighting and clearly defining any efforts made in reducing the backlog, discussing the financial implications for not doing so, and addressing any progress made, or obstacles encountered, in fulfilling the recommendations for office improvements.

**Has not been, but will be, implemented in the future.** As noted in the Assessor-Recorder's response, this recommendation will be implemented in the upcoming OAR Annual Report, which is expected to be released in September 2015.

Thank you again for the opportunity to comment on this Civil Grand Jury report.

Sincerely,



Edwin M. Lee  
Mayor