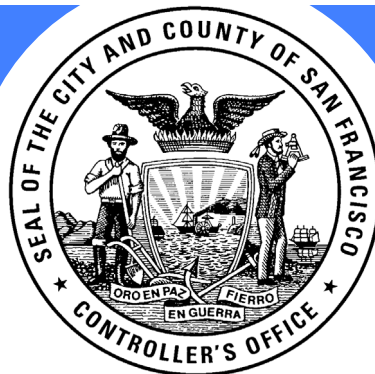


# FY 2025-26 City and County of San Francisco Appropriations Limit

Budget and Finance Committee  
April 15, 2026



**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 2025, population growth in the City was -0.39% and 0.60% in the 9 Bay Area Counties. The City can choose whichever population growth is greater.
- The growth in California per capita personal income was 6.44% and the percentage increase in the assessment rolls due to new construction was 9.76%. The City can choose the greater of these two factors.
- The total percentage increase in the Gann Limit for this year is 10.42%

## Temporary, Voter-Approved Increases

- With voter approval, the Gann Limit can be increased for up to four years.
- Proposition M (2024) increased the Gann Limit by the total amount collected from the City's business taxes.
- The Limit this fiscal year is increased by \$1,662,357,961.

## Fiscal Year 2025-26 Appropriations Limit

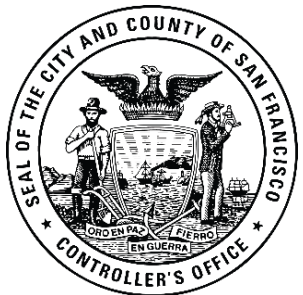
- FY 2024-25 Base Limit: \$11,752,763,337
- 2025 Bay Area Population Increase: 0.60%
- 2025 Increase in Cost of Living: 9.76%
- Temporary Voter Approved Increase: \$1,662,357,961
- FY 2025-26 Limit: \$14,639,589,998

## Appropriations Subject to Limit

FY 2025-26 Estimated Total Tax Proceeds:	\$ 6,302,243,085
Less Appropriations Excluded from the Limit:	
Voter-Approved Debt:	-\$ 512,054,781
Qualified Capital Outlay:	-\$ 126,782,667
Federal Mandates (FICA / ADA Compliance) :	<u>-\$ 120,716,222</u>
<i>Net Tax Proceeds:</i>	<i>\$ 5,542,689,415</i>
<hr/>	
FY 2025-26 Appropriations Limit:	\$ 14,639,589,998
Net Tax Proceeds:	<u>-\$ 5,542,689,998</u>
Amount Below Limit:	\$ 9,096,900,583



# FY25-26 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 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, 2024 and January 1, 2025, San Francisco’s population decreased by 0.39% (*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 FY25-26 is 6.44% (*per CA Department of Finance*)
  - The total adjustment factor for FY25-26 is 6.02%

# FY2025-26 Appropriations Limit for Development Districts

District	FY2024-25 Appropriations Limit	FY2025-26 Appropriations Limit (6.02% Adjustment)
Special Tax District No. 2009-1 (San Francisco Sustainable Financing) Improvement Area No. 1	\$2,404,311	\$2,549,168
Improvement Area No. 2	\$2,944,645	\$3,122,057
Community Facilities District No. 2014-1 (Transbay Transit Center)	\$479,807,119	\$508,714,941
Community Facilities District No. 2016-1 (Treasure Island) Improvement Area No. 1	\$128,630,605	\$136,380,449
Improvement Area No. 2	\$94,863,671	\$100,579,097
Improvement Area No. 3	\$254,016,124	\$269,320,301
Special Tax District No. 2019-1 (Pier 70 Condominiums)	\$2,118,954,831	\$2,246,619,402
Special Tax District No. 2019-2 (Pier 70 Leased Properties)	\$2,298,696,523	\$2,437,190,322
Special Tax District No. 2020-1 (Mission Rock Facilities and Services)	\$4,618,362,909	\$4,896,613,917
Special Tax District No. 2022-1 (Power Station), Improvement Area No. 1	\$991,233,920	\$1,050,954,614
IRFD No. 1 (Treasure Island)	\$274,411,956	\$290,944,958
IRFD No. 2 (Hoedown Yard, Pier 70)	\$119,519,607	\$126,720,525

# Appendix



# Appropriations Limits for CFDs, STDs, and IRFDs

	Appropriations Limit Change Factors for FY25-26 <sup>(1)</sup>				Appropriation Limit Calculation for FY25-26
	Appropriation Limit for FY24-25	Total County Population Change Factor	California Per Capita Personal Income Factor	Appropriations Limit Adjustment Factor	
<b>STD No. 2009-1 (SF Sustainable Financing)<sup>(2)</sup></b>					
Improvement Area No. 1	\$2,404,311	-0.39%	6.44%	1.0602	\$2,549,168
Improvement Area No. 2	\$2,944,645	-0.39%	6.44%	1.0602	\$3,122,057
<b>CFD No. 2014-1 (Transbay Transit Center)</b>	\$479,807,119	-0.39%	6.44%	1.0602	\$508,714,941
<b>CFD No. 2016-1 (Treasure Island)<sup>(2)</sup></b>					
Improvement Area No. 1	\$128,630,605	-0.39%	6.44%	1.0602	\$136,380,449
Improvement Area No. 2	\$94,863,671	-0.39%	6.44%	1.0602	\$100,579,097
Improvement Area No. 3	\$254,016,124	-0.39%	6.44%	1.0602	\$269,320,301
<b>STD No. 2019-1 (Pier 70 Condominiums)</b>	\$2,118,954,831	-0.39%	6.44%	1.0602	\$2,246,619,402
<b>STD No. 2019-2 (Pier 70 Leased Properties)</b>	\$2,298,696,523	-0.39%	6.44%	1.0602	\$2,437,190,322
<b>STD No. 2020-1 (Mission Rock Facilities/Services)</b>	\$4,618,362,909	-0.39%	6.44%	1.0602	\$4,896,613,917
<b>STD No. 2022-1 (Power Station)</b>	\$991,233,920	-0.39%	6.44%	1.0602	\$1,050,954,614
<b>IRFD No.1 (Treasure Island)</b>	\$274,411,956	-0.39%	6.44%	1.0602	\$290,944,958
<b>IRFD No. 2 (Hoedown Yard, Pier 70)</b>	\$119,519,607	-0.39%	6.44%	1.0602	\$126,720,525

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.

*Source: California Department of Finance*

2. Improvement areas may be established as properties annex into the CFD from the future annexation area for the CFD, and an appropriations limit applicable to such improvement area will be established in connection with such annexation.