



May 16, 2014

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

Re: Waiver PILOT

Dear Mayor Lee:

The Housing Authority of the City and County of San Francisco (the Authority) is currently obligated to make payments in lieu of taxes (PILOT) to the City and County of San Francisco (the City), pursuant to a Cooperative Agreement dated January 21, 1965 between the two parties in which the City agreed to exempt all public housing developments of the Authority from the payment of real and personal property taxes and special assessments. Historically, the Board of Supervisors has waived PILOT payments for the Authority, and the City's annual budget has not included a PILOT payment from the Authority as a revenue.

Pursuant to a recommendation included in the City's Budget and Legislative Analyst audit report on the Authority dated June 3, 2013, that the Authority seek approval from the Board of supervisors for a waiver of PILOT, the Authority sought and was granted such a waiver for the period 1991 through 2013. Accordingly, the Authority agreed to request a waiver of PILOT as part of the city's annual budget process beginning in the spring of 2014.

Please accept this letter as the Authority's formal request for a waiver of PILOT due from the Authority to the City for the fiscal years 2014-15 and 2015-16.

Should you have questions, please contact me directly at smithb@sfha.org, or 415.715.3220. Thank you for your consideration.

Sincerely,

Barbara T. Smith

Acting Executive Director

cc: Kate Howard, Mayor's Budget Director

Joaquin Torres, SFHA Commission President