

1 [California Constitution Appropriations Limit for FY2022-2023]

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10 WHEREAS, Article XIII B of the California Constitution provides that the annual
11 appropriations of the City and County of San Francisco, which are subject to said Article,
12 may not exceed the Appropriations Limit for the prior year, with adjustments as provided in
13 said Article XIII B; and

14 WHEREAS, The California Government Code, Section 7901, defines the terms, and
15 Section 7902(b) sets forth the equations to be used to determine the City and County of San
16 Francisco's annual Appropriations Limit, according to the following formula:

17 (b) "...the appropriations limit of the state and each local jurisdiction shall equal the
18 appropriations limit for the prior fiscal year multiplied by the product of the change in
19 cost of living, as defined in paragraph (2) of subdivision (e) of Section 8 of Article XIII
20 B of the California Constitution, and the change in population of the local jurisdiction
21 for the calendar year preceding the beginning of the fiscal year for which the
22 appropriations limit is to be determined, and adjusted for other changes required or
23 permitted by Article XIII B of the California Constitution;" and

24 WHEREAS, Article XIII B, Section 8(e)(2) of the California Constitution authorizes the
25 calculation of the cost of living, either the use of the percentage change in California per-
capita personal income from the preceding year, or the use of the percentage change in the

1 local assessment roll from the preceding year for the jurisdiction due to the addition of local
2 non-residential new construction; and

3 WHEREAS, The change in California per-capita personal income in fiscal year 2021-
4 22 was 7.55%, while the percentage change in the local assessment roll in 2021 due to the
5 addition of local non-residential new construction was 10.65%; and

6 WHEREAS, Chapter 1222 of the California State Statutes of 1980 allows the City and
7 County of San Francisco to use the greater of its percentage change in population from the
8 preceding year or the percentage change of the Metropolitan Statistical Area population;
9 and

10 WHEREAS, The percentage change in population of the City and County of San
11 Francisco was -0.79%; and

12 WHEREAS, The percentage change in population during calendar year 2021 for the
13 San Francisco Metropolitan Statistical Area was -0.67%; and

14 WHEREAS, Article XIII B, Section 4 of the California Constitution authorizes voters to
15 approve an increase in the Appropriations Limit for up to four years; and

16 WHEREAS, Voters approved seven measures, the Traffic Congestion Mitigation Tax
17 (Proposition D-November 2019), the Vacancy Tax (Proposition D-March 2020), the Parcel
18 Tax for San Francisco Unified School District (Proposition J-November 2020), the Real
19 Estate Transfer Tax (Proposition I-November 2020), the Executive Compensation Tax
20 (Proposition L-November 2020), the Business Tax Overhaul (Proposition F-November 2020)
21 and the Residential Vacancy Tax (Proposition M-November 2022), that increased the
22 Appropriations Limit by the aggregate sum collected by the levy of these taxes; and

23 WHEREAS, The aggregate sum collected by the levy of these taxes through fiscal
24 year 2022-23 is projected to be \$1,420,220,941; and

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1 WHEREAS, Article XIII B, Sections 8(h) and 10.5 of the California Constitution
2 establish that the Base Appropriations Limit for a local government is equal to the
3 appropriations subject to limitation in fiscal year 1986-87; and

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5 WHEREAS, The Base Appropriations Limit for fiscal year 2021-22 is \$8,360,345,577;
6 and

7 WHEREAS, The resulting calculation establishing the City and County of San
8 Francisco's fiscal year 2022-23 Appropriations Limit is:

9 $\$8,360,345,577 \times 0.9933 \times 1.10650 + \$1,420,220,941 = \$10,608,963,481$; and

10 WHEREAS, This matter has been considered at a regularly scheduled meeting of the
11 Board of Supervisors for the City and County of San Francisco; and

12 WHEREAS, The documentation used to determine the Appropriations Limit for the
13 City and County of San Francisco for FY2022-2023 was available for public inspection in
14 the Office of the Clerk of the Board of Supervisors for at least 15 days prior to said regularly
15 scheduled meeting; now, therefore, be it

16 RESOLVED, That the City and County of San Francisco elects to use the percentage
17 change in the local assessment roll from 2021 due to the addition of local non-residential
18 new construction and the percent change in population within the San Francisco
19 Metropolitan Area from the previous year for the purpose of computation of its
20 Appropriations Limit pursuant to Article XIII B of the California Constitution for FY 2022-
21 2023; and, be it

22 FURTHER RESOLVED, That the net appropriations limit for FY 2022-2023 is
23 established at \$10,609,128,182.

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1 Recommended:

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4 Ben Rosenfield

5 Controller

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