



OFFICE OF THE CONTROLLER
CITY AND COUNTY OF SAN FRANCISCO

Greg Wagner
Controller
ChiaYu Ma
Deputy Controller

MEMORANDUM

TO: Mayor Daniel Lurie and Honorable Board of Supervisors

DATE: February 26, 2026

SUBJECT: **Resolution Establishing the California Constitution Appropriations Limit (Gann Limit) for Fiscal Year 2025-26 for Special Tax Districts and Infrastructure Revitalization and Financing Districts**

Recommended Actions

We respectfully request that the Board of Supervisors ("Board"), in its capacity as the legislative body of the Community Facilities Districts ("CFDs"), Special Tax Districts ("STDs"), and Infrastructure and Revitalization Financings Districts ("IRFDs") (together, the "Districts") as further described below, consider for review and approval a resolution ("Resolution") establishing the appropriations limit for fiscal year 2025-26 pursuant to California Constitution, Article XIII B for Special Tax Districts and Infrastructure and Revitalization Financing Districts, and determining other matters in connection therewith.

Background

Article XIII B of the State Constitution provides that the total annual appropriations subject to limitation of a local government entity may not exceed the appropriations limit of that entity for the prior year adjusted for the change in the cost of living and the change in population (commonly referred to as the "Gann Limit"). In effect, the Gann Limit establishes the amount of money a public agency may legally spend in a fiscal year, as adjusted for population growth and inflation. Certain expenditures are not subject to the appropriations limit, including debt service on voter-approved bonds.

The Mello-Roos Community Facilities Act of 1982 ("Mello-Roos Act") and Chapter 43, Article X of the San Francisco Administrative Code (which incorporates the Mello-Roos Act, with some revisions), provide for the establishment of legally constituted governmental entities known as CFDs and STDs, respectively, for the sole purpose of financing facilities and services from special taxes approved by qualified electors of the CFD or STD. The Mello-Roos Act provides, among other things, for the establishment of an appropriations limit for CFDs. The Board has formed the following CFDs and STDs with annual appropriations limits:

2 | California Constitution Appropriations Limit (Gann Limit) for Fiscal Year 2025-26 – Special Tax Districts and Infrastructure Revitalization and Financing Districts

- STD No. 2009-1 (San Francisco Sustainable Financing), Improvement Area No. 1 and Improvement Area No. 2
- CFD No. 2014-1 (Transbay Transit Center)
- CFD No. 2016-1 (Treasure Island) - Improvement Area No. 1, Improvement Area No. 2, and Improvement Area No. 3
- STD No. 2019-1 (Pier 70 Condominiums),
- STD No. 2019-2 (Pier 70 Leased Properties)
- STD No. 2020-1 (Mission Rock Facilities and Services)
- STD No. 2022-1 (Power Station) - Improvement Area No. 1

Chapter 2.6 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53369 (“IRFD Law”) provides for the establishment of legally constituted governmental entities known as IRFDs for the sole purpose of financing authorized facilities. IRFD Law provides, among other things, for the establishment of an appropriations limit for IRFDs. The Board has formed the following IRFDs with annual appropriations limits:

- IRFD No. 1 (Treasure Island)
- IRFD No. 2 (Hoedown Yard, Pier 70)

Annual Appropriations Limit Adjustments

The Mello-Roos Act and IRFD Law provide for adjustment of the appropriations limit based upon two factors: population growth and the cost of living (i.e. inflation) as determined by California Government Code. Population growth is determined using the change in San Francisco City and County (the “City”) population. According to the California Department of Finance, between January 1, 2024, and January 1, 2025, the City’s population decreased by 0.39%. Cost of living is determined by using the change in California per capita personal income. According to the California Department of Finance, the change in per capita income to be applied for fiscal year 2025-26 is 6.44%. The appropriations limit adjustment factor for fiscal year 2025-26 and subsequent appropriation limit calculation by each district is provided in Exhibit A and as an attachment to the Resolution.

Your consideration of this matter is greatly appreciated.

Sincerely,



Greg Wagner, Controller

cc: Angela Calvillo, Clerk of the Board of Supervisors
Nicolas Menard, Budget & Legislative Analyst
Kenneth Roux, Deputy City Attorney

Exhibit A

APPROPRIATIONS LIMIT ADJUSTMENT FACTOR AND CALCULATIONS BY DISTRICT

	Appropriation Limit Calculation for FY24-25	Appropriations Limit Change Factors for FY25-26 ⁽¹⁾			Appropriation Limit Calculation for FY25-26
		Total County Population Change Factor	California Per Capita Personal Income Factor	Appropriations Limit Adjustment Factor	
STD No. 2009-1 (SF Sustainable Financing)⁽²⁾					
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
CFD No. 2014-1 (Transbay Transit Center)	\$479,807,119	-0.39%	6.44%	1.0602	\$508,714,941
CFD No. 2016-1 (Treasure Island)⁽²⁾					
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
STD No. 2019-1 (Pier 70 Condominiums)	\$2,118,954,831	-0.39%	6.44%	1.0602	\$2,246,619,402
STD No. 2019-2 (Pier 70 Leased Properties)	\$2,298,696,523	-0.39%	6.44%	1.0602	\$2,437,190,322
STD No. 2020-1 (Mission Rock Facilities/Services)	\$4,618,362,909	-0.39%	6.44%	1.0602	\$4,896,613,917
STD No. 2022-1 (Power Station)	\$991,233,920	-0.39%	6.44%	1.0602	\$1,050,954,614
IRFD No.1 (Treasure Island)	\$274,411,956	-0.39%	6.44%	1.0602	\$290,944,958
IRFD No. 2 (Hoedown Yard, Pier 70)	\$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.

Sources: 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.