



CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

Ben Rosenfield
Controller

Todd Rydstrom
Deputy Controller

July 25, 2016

Ms. Angela Calvillo
Clerk of the Board of Supervisors
1 Dr. Carlton B. Goodlett Place Room 244
San Francisco, CA 94102-4689

RE: File 160698 – Ordinance requiring conditional use authorization for replacement of production, distribution, repair, institutional community, and arts activities uses (first draft)

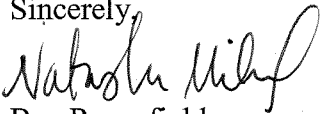
Dear Ms. Calvillo,

Should the proposed ordinance be approved by the voters, in my opinion, it would reduce the revenue available for general governmental services by several million dollars annually.

The proposed amendment would require certain projects seeking to convert or demolish existing space within the Mission and South of Market neighborhoods used by production, distribution, repair (PDR), or institutional community uses to obtain a conditional use authorization from the Planning Commission prior to constructing new office space or housing on those sites. These projects would also be required to provide a certain amount of new space to replace the PDR or community space that is converted or demolished.

The City and other public agencies would receive a reduced amount of property tax revenue, to the extent that the assessed values of new property for PDR or institutional community uses are lower than the assessed values of new residential or office space. My office projects a loss of revenue of between \$2.1 and \$4.3 million annually. The range of estimated revenue impacts reflects considerable uncertainty regarding the impact of the ordinance on future possible development in the City.

Sincerely,


for Ben Rosenfield
Controller

Note: This analysis reflects our understanding of the proposal as of the date shown. At times further information is provided to us which may result in revisions being made to this analysis before the final Controller's statement appears in the Voter Information Pamphlet.