

File No. 220181

Committee Item No. 3

Board Item No. 6

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee Date April 20, 2022

Board of Supervisors Meeting Date April 26, 2022

Cmte Board

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| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Resolution |
| <input type="checkbox"/> | <input type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Introduction Form |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Department/Agency Cover Letter and/or Report |
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| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
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| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Exhibit A - Appropriations Funded by Proceeds of Taxes Subject to Limit</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Exhibit B - Appropriations Limit Calculation</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Controller Letter - 2/16/2022</u> |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Controller Presentation - 4/20/2022</u> |
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Completed by: Brent Jalipa Date April 14, 2022

Completed by: Brent Jalipa Date April 22, 2022

1 [California Constitution Appropriations Limit for FY2021-2022]

2

3 **Resolution establishing the appropriations limit for Fiscal Year (FY) 2021-2022**
4 **pursuant to California Constitution Article XIII B.**

5

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

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

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

20 WHEREAS, Article XIII B, Section 8(e)(2) of the California Constitution authorizes the
21 calculation of the cost of living, either the use of the percentage change in California per-
22 capita personal income from the preceding year, or the use of the percentage change in the
23 local assessment roll from the preceding year for the jurisdiction due to the addition of local
24 non-residential new construction; and

25

1 WHEREAS, The change in California per-capita personal income in fiscal year 2020-
2 2021 was 5.73%, while the percentage change in the local assessment roll in 2020 due to the
3 addition of local non-residential new construction was 18.57%; and

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

7 WHEREAS, The percentage change in population of the City and County of San
8 Francisco was -1.70%; and

9 WHEREAS, The percentage change in population during calendar year 2020 for the
10 San Francisco Metropolitan Statistical Area was -0.64%; and

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

13 WHEREAS, Voters approved eight measures, the Tax on Cannabis Businesses
14 (Proposition D-November 2018), the Homeless Gross Receipts Tax (Proposition C-November
15 2018), the Traffic Congestion Mitigation Tax (Proposition D-November 2019), the Vacancy
16 Tax (Proposition D-March 2020), the Parcel Tax for San Francisco Unified School District
17 (Proposition J-November 2020), the Real Estate Transfer Tax (Proposition I-November 2020),
18 the Executive Compensation Tax (Proposition L-November 2020), and the Business Tax
19 Overhaul (Proposition F-November 2020), that increased the Appropriations Limit by the
20 aggregate sum collected by the levy of these taxes; and

21 WHEREAS, The aggregate sum collected by the levy of these taxes through fiscal year
22 2021-2022 is projected to be \$1,744,826,544; and

23 WHEREAS, Article XIII B, Sections 8(h) and 10.5 of the California Constitution
24 establish that the Base Appropriations Limit for a local government is equal to the
25 appropriations subject to limitation in fiscal year 1986-1987; and

1 WHEREAS, The Base Appropriations Limit for Fiscal Year 2020-2021 is
2 \$7,096,395,744; and

3 WHEREAS, The resulting calculation establishing the City and County of San
4 Francisco's Fiscal Year 2021-2022 Appropriations Limit is:

5 \$7,096,395,744 X 0.9936 X 1.1857 + \$1,744,826,544 = \$10,105,172,121; and

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

8 WHEREAS, The documentation used to determine the Appropriations Limit for the City
9 and County of San Francisco for Fiscal Year (FY) 2021-2022 was available for public
10 inspection in the Office of the Clerk of the Board of Supervisors for at least 15 days prior to
11 said regularly scheduled meeting; now, therefore, be it

12 RESOLVED, That the City and County of San Francisco elects to use the percentage
13 change in the local assessment roll from 2020 due to the addition of local non-residential new
14 construction and the percent change in population within the San Francisco Metropolitan Area
15 from the previous year for the purpose of computation of its Appropriations Limit pursuant to
16 Article XIII B of the California Constitution for FY2021-2022; and, be it

17 FURTHER RESOLVED, That the net appropriations limit for FY2021-2022 is
18 established at \$10,105,172,121.

19
20

21 Recommended:

22
23

24 _____ /s/

25 Ben Rosenfield
Controller

<p>Item 3 File 22-0181</p>	<p>Department: Controller's Office</p>
<p>EXECUTIVE SUMMARY</p>	
<p style="text-align: center;">Legislative Objectives</p> <ul style="list-style-type: none"> The proposed resolution would establish the City’s FY 2021-22 appropriations limit at \$10,105,172,121, as calculated by the Controller. The appropriations limit for FY 2021-22 is based on the amount of the FY 2020-21 appropriations limit and adjusted to reflect increases in: (1) the population and (2) the cost of living (calculated using the increase in the local assessment roll due to the addition of non-residential new construction). <p style="text-align: center;">Key Points</p> <ul style="list-style-type: none"> The California Constitution places annual limits on the appropriations of tax proceeds made by the State, school districts, and local governments in California. The annual appropriations limit is based on the appropriations limit for the preceding fiscal year and adjusted for: (1) the change in population, and (2) the change in the cost of living. There are two definitions that local governments may use to calculate the cost-of-living adjustment: (1) the change in California per capita personal income, or (2) the change in the local assessment roll due to the addition of non-residential new construction. The City is allowed to choose whichever percentage change is higher. In FY 2020-21, the growth in personal income was 5.73 percent and the roll growth due to nonresidential new construction was 18.57 percent. The Controller’s Office is using the change in non-residential new construction for the cost-of-living factor to calculate the appropriations limit. <p style="text-align: center;">Fiscal Impact</p> <ul style="list-style-type: none"> The appropriations limit does not apply to tax proceeds appropriated for: (a) debt service, (b) federal mandates (such as Social Security and Medicare), and (c) qualified capital outlays. Consequently, the Controller excluded \$589,990,136 from the City’s total FY 2021-22 tax proceeds of \$5,263,852,050, resulting in net tax proceeds subject to the appropriations limit of \$4,673,861,914. The City’s FY 2021-22 appropriations limit, as calculated by the Controller, is \$10,105,172,121. The FY 2021-22 net tax proceeds of \$4,673,861,914 are \$5,431,310,207 less than the FY 2021-22 appropriation limit of \$10,105,172,121. <p style="text-align: center;">Policy Consideration</p> <ul style="list-style-type: none"> For the FY 2021-22 appropriations limit, the Controller elected to use the percentage change in the local assessment roll from the preceding year due to the addition of local nonresidential new construction to calculate the cost-of-living adjustment, and consequently calculating the appropriations limit at \$10,105,172,121. Had the Controller elected to use the percentage change in per-capita personal income from the preceding year, the appropriations limit would have been calculated at \$9,199,826,441. <p style="text-align: center;">Recommendation</p> <ul style="list-style-type: none"> Approve the proposed resolution. 	

MANDATE STATEMENT

California Constitution Article XIII B states that each local government must set an annual appropriations limit as calculated using the preceding year's appropriations limit adjusted for: (1) the change in population and (2) the change in the cost of living.

BACKGROUND

Proposition 4, known as the Gann Initiative and approved by California voters in November 1979, added Article XIII B to the California Constitution. Article XIII B (later amended by State Proposition 111, as approved by the voters in June 1990) places annual limits on the appropriations of tax proceeds made by the State, school districts, and local governments in California. The annual appropriations limit is based on the appropriations limit for the preceding fiscal year and adjusted for: (1) the change in population and (2) the change in the cost of living.

Per Article XIII B Section 9 and California Government Code Section 7901, the appropriations limit does not apply to any tax proceeds appropriated for: (a) debt service, (b) federal mandates for Social Security and Medicare, (c) qualified capital outlays, (d) other federal mandates, and (e) voter approved taxes.

California Government Code Section 7901(b) defines the change in population as the population growth for the calendar year preceding the beginning of the fiscal year for which the appropriations limit is to be determined. According to the California Department of Finance, in calendar year 2020, the population growth of the nine-county Bay Area was -0.64 percent.¹

California Constitution Article XIII B Section 8(e)2 allows the local government to use one of the two following definitions to calculate the cost-of-living adjustment:

Definition 1: The percentage change in California per-capita personal income from the preceding year, estimated to be 5.73 percent in FY 2020-21, or

Definition 2: The percentage change for the local jurisdiction in the assessment roll from the preceding year due to non-residential new construction, estimated to be 18.57 percent in 2020.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would establish the City's FY 2021-22 appropriations limit at \$10,105,172,121, as calculated by the Controller. The appropriations limit for FY 2021-22 is based on the amount of the FY 2020-21 appropriations limit and adjusted to reflect increases in: (1) the population and (2) cost of living (calculated using the increase in the local assessment roll due to the addition of non-residential new construction).

¹ Chapter 1222 of the California State Statutes of 1980 allows the City to use the greater of its percentage change in population from the preceding year or the percentage change of the nine-county Bay Area. The percentage change of the Bay Area population of -0.64 percent was greater than the percentage change of the City's population of -1.70 percent.

FISCAL IMPACT

Cost of Living Factor

Cost of living is determined by using either the change in California per capita personal income or the increase in the local assessment roll due to the addition of non-residential new construction. According to the Controller’s Office, the City may choose whichever percentage change is higher.

As mentioned above, in FY 2020-21, the growth in personal income was 5.73 percent and the roll growth due to nonresidential new construction was 18.57 percent. Consequently, the Controller’s Office is using the non-residential construction growth for the cost-of-living factor to calculate the appropriations limit.

Appropriations Subject to Limit

As mentioned above, the appropriations limit does not apply to tax proceeds appropriated for: (a) debt service, (b) federal mandates (such as for Social Security and Medicare), and (c) qualified capital outlays. Consequently, the Controller excluded \$589,990,136 from the City’s total FY 2021-22 tax proceeds of \$5,263,852,050, as shown in Exhibit 1 below, resulting in net tax proceeds subject to the appropriations limit of \$4,673,861,914.

Exhibit 1: Tax Proceeds Subject to the Proposed Appropriations Limit

FY 2020-21 Total Tax Proceeds²	\$5,263,852,050
Exclusions	
(a) Debt Service	(291,499,838)
(b) Federal Mandate for Social Security/Medicare	(120,162,413)
(c) Qualified Capital Outlays	(178,327,886)
Subtotal Exclusions	\$589,990,136
FY 2021-22 Net Tax Proceeds Subject to Appropriations Limit	\$4,673,861,914

Source: Controller’s Office

Article XIII B allows voters to approve an increase to the appropriations limit for up to four years. In the past four years, voters approved eight measures: the Tax on Cannabis Businesses (Proposition D in November 2018), the Homeless Gross Receipts Tax (Proposition C in November 2018), the Traffic Congestion Mitigation Tax (Proposition D in November 2019), the Vacancy Tax (Proposition D in March 2020), the Parcel Tax for San Francisco Unified School District (Proposition J in November 2020), the Real Estate Transfer Tax (Proposition I in November 2020), the Executive Compensation Tax (Proposition L in November 2020), and the Business Tax Overhaul (Proposition F in November 2020). These adjustments raise the FY 2021-22 appropriations limit by \$1,744,826,544.

² Includes property taxes, business taxes, excess Education Revenue Augmentation Fund (ERAF) revenues, other local taxes, and interest.

As shown in Exhibit 2 below, the City’s FY 2021-22 appropriation limit, as calculated by the Controller, is \$10,105,172,121. The FY 2021-22 net tax proceeds of \$4,673,861,914 are \$5,431,310,207 less than the FY 2021-22 appropriations limit of \$10,105,172,121.

Exhibit 2: Proposed FY 2021-22 Appropriations Limit

Base FY 2020-21 Appropriations Limit	\$7,096,395,744
Adjustment Factors	
Increase in Population	-0.64%
Roll Growth due to New Nonresidential Construction	18.57%
Subtotal	\$8,360,345,577
Voter Approved Limit Changes	1,744,826,544
FY 2021-22 Appropriations Limit	\$10,105,172,121

Source: Controller’s Office

POLICY CONSIDERATION

As previously mentioned, the Controller has discretion to calculate the cost-of-living adjustment factor using one of two definitions:

Definition 1: The percentage change in California per-capita personal income from the preceding year, estimated to be 5.73 percent in FY 2020-21, or

Definition 2: The percentage change for the local jurisdiction in the assessment roll from the preceding year due to non-residential new construction, estimated to be 18.57 percent in 2020.

Exhibit 3 below shows the FY 2021-22 appropriations limit using both definitions.

Exhibit 3: FY 2021-22 Appropriations Limit by Definition

	Definition 1: Per Capita Personal Income	Definition 2: Local Assessment Roll from Non-Residential New Construction
FY 2020-21 Appropriations Limit	\$7,096,395,744	\$7,096,395,744
Adjustment Factors		
Increase in Population	-0.64%	-0.64%
Increase in Per-Capita Personal Income	5.73%	-
Increase in Local Assessment Roll	-	18.57%
Subtotal	\$7,454,999,897	\$8,360,345,577
Voter Approved Limit Changes	1,744,826,544	1,744,826,544
FY 2021-22 Appropriations Limit	\$9,199,826,441	\$10,105,172,121

For the FY 2021-22 appropriations limit, the Controller elected to use the percentage change in the local assessment roll from the preceding year due to the addition of local nonresidential new construction to calculate the cost-of-living adjustment, consequently calculating the appropriations limit at \$10,105,172,121, as shown in Exhibit 2 above. Had the Controller elected to use the percentage change in per-capita personal income from the preceding year, the appropriations limit, as shown in Exhibit 3 above, would have been calculated at \$9,199,826,441, which is (a) \$905,345,680 less than the proposed appropriations limit of \$10,105,172,121 and (b)

\$4,525,964,527 more than the Controller's calculation of net tax proceeds subject to the appropriations limit of \$4,673,861,914, as shown in Exhibit 1 above.

RECOMMENDATION

Approve the proposed resolution.

California Constitution Article XIII B Appropriations Limit
 Fiscal Year 2021-22 Final Budget
 Exhibit A - Appropriations Funded by Proceeds of Taxes Subject to Limit

Fiscal Year 2021-22

Proceeds of Taxes

	General Fund	Other Governmental Funds	Total
Property Tax	\$ 1,870,600,000	\$ 598,489,572	\$ 2,469,089,572
Excess ERAF	245,000,000	-	245,000,000
Business Tax	957,140,000	556,670,000	1,513,810,000
Other Local Taxes	985,839,408	18,581,031	1,004,420,439
Interest	26,100,901	301,138	26,402,039
State Subventions	3,790,000	1,340,000	5,130,000
Total Proceeds of Tax	\$ 4,088,470,309	\$ 1,175,381,741	\$ 5,263,852,050

Excludable Appropriations

FICA Expenditures	\$ 120,162,413
Qualified Capital Outlays	178,327,886
Debt Service	291,499,838
Total Excludable Appropriations	\$ 589,990,136

Net Proceeds of Taxes:	\$ 4,673,861,914
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Appropriations Limit Calculation

Base Limit for FY 2020-21	7,096,395,744
Population Adjustment	-0.64%
Cost of Living Adjustment	18.57%
<i>Total Adjustment</i>	<i>17.81%</i>
Base Limit for FY 2021-22	8,360,345,577
Temporary Voter Approved Overrides	1,744,826,544
Appropriations Limit for FY 2021-22	\$ 10,105,172,121

FY 2021-22 Appropriations Under (Over) Statutory Limit	\$ 5,431,310,207
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California Constitution Article XIII B Appropriations Limit
 Fiscal Year 2021-22 Final Budget
 Exhibit B - Appropriations Limit Calculation

Cost of Living Factor: Use the maximum of CA Per-Capital Personal Income Change, or the percentage change in the local assessment roll from the preceding year for the jurisdiction due to the addition of local nonresidential new construction.

CA Per-Capita Personal Income change	5.73%
Roll Growth Due to New Nonresidential Construction	18.57%
Cost of Living Change	18.57%

Population Factor: Use the maximum of either CCSF population growth, or the population growth of the 9 bay area counties if it exceeds the Roll Growth cost of living factor.

County of San Francisco	-1.70%
CCSF and Surrounding Counties	-0.64%
Population Percentage Change	-0.64%

Calculation of Appropriations Limit: Inflate the prior year Base Gann Limit (i.e., before voter overrides) by the Cost of Living and Population factors above.

Base Appropriations Limit FY 2020-21	7,096,395,744
Cost of Living Growth Factor	1.18570
Population Growth Factor	0.99360
Base Appropriations Limit FY 2021-22	8,360,345,577
Voter approved Limit changes:	1,744,826,544
Appropriations Limit FY 2021-22	\$10,105,172,121



OFFICE OF THE CONTROLLER
CITY AND COUNTY OF SAN FRANCISCO

Ben Rosenfield
Controller

Todd Rydstrom
Deputy Controller

February 16, 2022

Mayor London Breed
City and County of San Francisco
City Hall, Room 200
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Board of Supervisors
City and County of San Francisco
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

RE: Appropriations Limit for Fiscal Year 2021-22

Dear Mayor Breed and Board Members:

In accordance with Article XIII B of the State Constitution, attached is the resolution establishing the City and County's annual appropriations limit for FY 2021-22. We estimate City and County appropriations are approximately \$5,431 million below the state-mandated appropriations limit.

Background

Article XIII B of the State Constitution provides that annual appropriations of the City and County of San Francisco that are funded from "Proceeds of Taxes" may not exceed the City and County's appropriations limit. This limit is equal to the prior year's limit adjusted for changes in population and cost of living.

Our computation of proceeds of taxes is in accordance with California Government Code Section 7900 and conforms to "Article XIII B California Constitution Appropriations Limit Procedure Guidelines for California Counties" prepared by the County Accounting Standards and Procedures Committee (See Exhibit A).

Annual Appropriations Limit Adjustments

Each year the City and County of San Francisco adjusts its appropriations limit based upon two factors: population growth and the cost of living as determined by California Government Code. Population growth is determined using either the change in San Francisco City and County population or the change in the nine Bay Area counties. According to the California Department of Finance, between January 1, 2020 and January 1, 2021, San Francisco City and County population declined by 1.70% and the Bay Area counties declined by 0.64%. The maximum growth factor, -0.64%, is used in the calculation. Cost of living is determined using either the change in California per capita personal income or the increase in the local assessment roll due to the addition of non-residential new construction. The change in per capita income for fiscal year 2020-21 is 5.73%, while the local assessment growth in 2020 due to non-residential new construction is 18.57%. The fiscal year 2021-22 increase in local assessment growth is used in the appropriations limit calculation (See Exhibit B).

Adjustments to Proceeds of Taxes

There are certain appropriations that are excluded from proceeds of taxes, as allowed by Article XIII B. The following exclusions are factored into our calculation of Net Proceeds of Taxes:

- (1) \$291.5 million is excluded as bonded indebtedness (Article XIII B, Section 9(a));
- (2) \$120.2 million is excluded as the federal mandate for Social Security and Medicare payroll taxes (Article XIII B, Section 9(b)); and,
- (3) \$178.3 million is excluded under the determination of “qualified capital outlay” (Article XIII B Section 9(e)).

Adjustments to the Appropriations Limit

Article XIII B allows voters to approve an increase to the appropriations limit for up to four years. In the past four years, voters approved eight measures that included increases to the appropriations limit: the Tax on Cannabis Businesses (Proposition D-November 2018), the Homeless Gross Receipts Tax (Proposition C-November 2018), the Traffic Congestion Mitigation Tax (Proposition D-November 2019), the Vacancy Tax (Proposition D-March 2020), the Parcel Tax for San Francisco Unified School District (Proposition J-November 2020), the Real Estate Transfer Tax (Proposition I-November 2020), the Executive Compensation Tax (Proposition L-November 2020), and the Business Tax Overhaul (Proposition F-November 2020). This adjustment raises the FY 2021-22 appropriations limit by \$1,744.8 million.

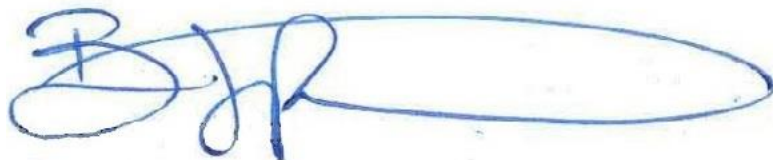
3 | FY 2021-22 Appropriations limit

City and County Appropriations are under the Limit

The appropriations limit for FY 2021-22 is \$10,105,172,121. We estimate that appropriations subject to limitation will be \$4,673,861,914. Thus, the Controller projects that the City and County will be \$5,431,310,207 below its limit in the current fiscal year.

It is the Controller's responsibility to monitor this appropriations limit each year for compliance. If the sum of adjusted appropriations for two consecutive fiscal years exceeds the sum of the appropriations limits for those two fiscal years, the excess must be returned to the taxpayers in the two subsequent fiscal years.

Sincerely,

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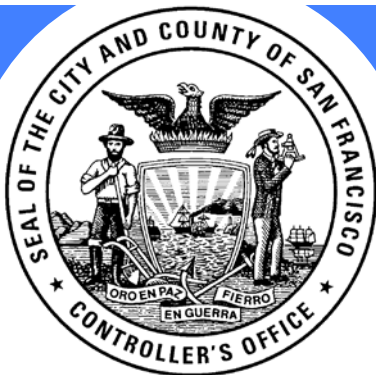
Ben Rosenfield
Controller

Attachments

cc: Ashley Groffenberger, Mayor's Budget Director
David Chiu, City Attorney
Jon Givner, Deputy City Attorney
Angela Calvillo, Clerk of the Board
Harvey Rose, Budget Analyst

FY 2021-22 City and County of San Francisco Appropriations Limit

Budget and Finance Committee
April 20, 2022



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.

- Certain appropriations are *not* subject to the Gann Limit, including qualified capital outlays, voter-approved debt, and federal mandates.
- 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.
- 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 2020, population growth in the City was -1.70% and -0.64% in the 9 Bay Area Counties. The City can choose whichever population growth is greater.
- The growth in California per capita personal income was 5.73% and the percentage increase in the assessment rolls due to new construction was 18.57%. The City can choose the greater of these two factors.
- The total percentage increase in the Gann Limit for this year is 17.81%

Temporary, Voter-Approved Increases

- With voter approval, the Gann Limit can be increased for up to four years.
- In the past four years, voters approved eight tax increases that included an increase: Tax on Cannabis Businesses, Homeless Gross Receipts Tax, Traffic Congestion Mitigation Tax, Vacancy Tax, Parcel Tax for SFUSD, Real Estate Transfer Tax, Executive Compensation Tax, and the Business Tax Overhaul.
- These voter approvals raise the FY 2021-22 Gann Limit by \$1,744,826,544

Fiscal Year 2021-22 Appropriations Limit

- FY 2020-21 Limit: \$7,096,395,744
- 2020 Bay Area Population Increase: -0.64%
- 2020 Increase in Cost of Living: 18.57%
- Temporary Voter Approved Increase: \$1,744,826,544
- FY 2021-22 Limit: \$10,105,172,121

Appropriations Subject to Limit

FY 2021-22 Estimated Total Tax Proceeds: \$ 5,263,852,050

Less Appropriations Excluded from the Limit:

Voter-Approved Debt: -\$ 291,499,838

Qualified Capital Outlay: -\$ 178,327,886

Federal Mandates (FICA / ADA Compliance) : -\$ 120,162,413

Net Tax Proceeds: \$ 4,673,861,914

FY 2021-22 Appropriations Limit: \$ 10,105,172,121

Net Tax Proceeds: -\$ 4,673,861,914

Amount Below Limit: \$ 5,431,310,207



OFFICE OF THE CONTROLLER
CITY AND COUNTY OF SAN FRANCISCO

Ben Rosenfield
Controller
Todd Rydstrom
Deputy Controller

February 16, 2022

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

RE: Legislation to Establish the Appropriations Limit for Fiscal Year 2021-22,
Pursuant to California Constitution Article XIII B.

Dear Ms. Calvillo:

Enclosed is the above referenced resolution to set the City and County's appropriation limit for Fiscal Year 2021-22, as required by Government Code Section 7910. The necessary supporting documentation prepared by the Controller's Office is also enclosed.

This information must be posted and available for public inspection for fifteen days prior to a public hearing. Our working papers are available upon request at the Controller's Office, Room 316.

Please contact Michelle Allersma at (415) 554-4792 if you have any further questions regarding this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "B. Rosenfield", written over a horizontal line.

Ben Rosenfield
Controller

Enclosures 1) California Spending Limit Resolution
 2) Transmittal to Mayor and Board of Supervisors
 3) Supporting Documents - Exhibits