

Ben Rosenfield
Controller
Monique Zmuda
Deputy Controller

July 23, 2014

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

Attention: Budget & Finance Committee

Re: FY 2014-15 Property Tax Rate Ordinance

Dear Ms. Calvillo:


I am submitting an ordinance for consideration to amend the tax levy for FY 2014-15. This ordinance includes the following:

- Property Tax Levy for City and County;
- Property Tax Levy for Unified School District;
- Property Tax Levy for Community College District, and
- Property Tax Levy for Bay Area Rapid Transit District
- Property Tax Levy for Bay Area Air Quality Management District
- Pass-through rate of residential tenants pursuant to Chapter 37 of the Administrative Code

Section 3.3 of the Administrative Code requires the property tax rate be adopted by the last working day of September. Because of the Board of Supervisors' recess schedule, I hereby request these items be scheduled for the Budget & Finance Committee meeting no later than September 3, 2014 in order to satisfy this requirement.

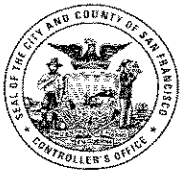
Please contact Jamie Whitaker, Property Tax Manager, at 415-554-7593 if you have questions regarding this matter.

Sincerely,



Ben Rosenfield
Controller

CC: Victor Young, Budget & Finance Committee Clerk



Ben Rosenfield
Controller
Monique Zmuda
Deputy Controller

July 23, 2014

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

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

Dear Ladies and Gentlemen:

I am submitting herewith an annual ordinance which formally adopts those portions of the property tax rate for fiscal year 2014-2015 which the City and County of San Francisco administers. The Bay Area Rapid Transit District (BART) also adopts a debt service tax rate for their combined three county service area. The rate shown below includes the estimated rate for BART, which is slated for adoption at BART's August Board meeting. The composite property tax rate for fiscal year 2014-2015 is projected to be \$1.1773 for each \$100 of assessed value, a decrease of \$0.0107 or 0.90 percent from the \$1.1880 rate established for fiscal year 2013-2014. The overall rate decrease is attributable primarily to growth in the total assessed values of secured and unsecured taxable property as of July 1, 2014. Based on a \$1.1773 rate, the average tax bill for a home previously assessed at \$500,000 in fiscal year 2013-2014 will go from \$5,856.84 last fiscal year to \$5,830.80 in fiscal year 2014-2015, a \$26.04 or 0.44 percent decrease. The respective tax rates by accruing entity are as follows:

Table with 4 columns: Entity Name, Tax Rate Ordinance, Estimated State Shift, and Effect After State Shift. Rows include San Francisco Community College District, San Francisco Unified School District, CCSF - General Fund, CSF -Library Preservation Fund, CCSF - Children's Fund, CCSF - Open Space Acquisition Fund, CCSF - Bond Interest and Redemption Fund, CCSF - County Superintendent of Schools, Bay Area Air Quality Management District, BART District General Fund, Total excluding BART District Debt Service, BART Debt Service (Estimate), and Total Combined Tax Rate.

The property tax rate reflects anticipated debt service requirements pertaining to voter-approved general obligation bonds, including a 0.25% administrative allowance to reimburse costs of collection. Attachment A is a Property Tax Rate History table for the City and County beginning in fiscal year 1994-1995. Attachment B provides the anticipated fiscal year 2014-2015 general obligation bond debt service schedule (principal and interest) relevant to the property tax rate calculations.

For fiscal year 2014-2015, the pass-through rate for residential tenants is \$0.0950 per \$100 of assessed value, or 9.5 cents per \$100 of assessed value. The pass-through rate is comprised of 3 factors as outlined in Chapter 37.3 of the San Francisco Administrative Code: 1) 100% of the City's general obligation bonds approved by voters between November 1, 1996 and November 30, 1998; 2) 50% of the City's general obligation bonds approved by voters after November 14, 2002; and 3) 50% of the San Francisco Unified School District or San Francisco Community College District's general obligation bonds approved by voters after November 1, 2006.

Except for a consumer price index adjustment which is capped at the lesser of inflation or 2.00% under Proposition 13, individual assessments change only when property is sold, transferred, or otherwise improved. For fiscal year 2014-2015, the consumer price index adjustment authorized by the State is 0.454%. As shown in Attachment C, the combination of a tax rate of \$1.1773 for each \$100 of assessed value and the 0.454% consumer price index adjustment that increases the assessed value of the example residence from \$500,000 in fiscal year 2013-2014 to \$502,270 in fiscal year 2014-2015 results in a \$26.04 property tax decrease.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ben Rosenfield', is written over a large, light-colored oval shape that serves as a background for the signature.

Ben Rosenfield
Controller

Attachments:

- A - Property Tax Rate History
- B - Debt Service Requirements
- C - Comparative Property Tax Bill

Attachment A

Property Tax Rate History City and County of San Francisco

<u>Fiscal Year</u>	<u>Prop 13 Tax Rate</u>	<u>San Francisco G.O. Bonds Tax Rate</u>	<u>Schools & Special Districts G.O. Bonds Tax Rate</u>	<u>Combined Secured Property Tax Rate</u>	<u>% Change From Prior Year</u>
1994 - 1995	1.0000	0.1354	0.0276	1.1630	1.13%
1995 - 1996	1.0000	0.1367	0.0273	1.1640	0.08%
1996 - 1997	1.0000	0.1564	0.0266	1.1830	1.64%
1997 - 1998	1.0000	0.1643	0.0257	1.1900	0.59%
1998 - 1999	1.0000	0.1449	0.0201	1.1650	-2.10%
1999 - 2000	1.0000	0.1277	0.0013	1.1290	-3.08%
2000 - 2001	1.0000	0.1348	0.0012	1.1360	0.62%
2001 - 2002	1.0000	0.1236	0.0004	1.1240	-1.05%
2002 - 2003	1.0000	0.1167	0.0003	1.1170	-0.62%
2003 - 2004	1.0000	0.1068	0.0002	1.1070	-0.90%
2004 - 2005	1.0000	0.1284	0.0156	1.1440	3.35%
2005 - 2006	1.0000	0.1201	0.0199	1.1400	-0.35%
2006 - 2007	1.0000	0.0966	0.0384	1.1350	-0.43%
2007 - 2008	1.0000	0.1037	0.0373	1.1410	0.53%
2008 - 2009	1.0000	0.1053	0.0577	1.1630	1.93%
2009 - 2010	1.0000	0.1084	0.0506	1.1590	-0.34%
2010 - 2011	1.0000	0.1121	0.0519	1.1640	0.43%
2011 - 2012	1.0000	0.1147	0.0571	1.1718	0.67%
2012 - 2013	1.0000	0.1083	0.0608	1.1691	-0.23%
2013 - 2014	1.0000	0.1195	0.0685	1.1880	1.38%
2014 - 2015	1.0000	0.1195	0.0578	1.1773	-0.90%

Attachment B

CITY AND COUNTY OF SAN FRANCISCO Debt Service Requirements - General Obligation Bonds Comparative Statement - Fiscal Year 2014-2015 and 2013-2014

<u>Bond Description</u>	FY 2014-2015	FY 2014-2015	FY 2014-2015	FY 2013-2014	INCREASE/ (DECREASE)
	Principal	Interest	Total	Total	
GENERAL CITY					
1992 UMB Program - Seismic Safety, Series 2007A (1st to 7th draw)	\$ 1,184,884	\$ 1,225,869	\$ 2,410,753	\$ 2,410,754	\$ (1)
1992 UMB Program - Seismic Safety, Series 2014C (Estimate)	-	708,492	708,492	-	708,492
2000 Branch Library Facilities Improvement, Series 2008A	1,315,000	1,018,706	2,333,706	2,339,506	(5,800)
2008 Clean and Safe Neighborhood Parks 2008B	1,805,000	1,432,681	3,237,681	3,233,431	4,250
2008 Clean and Safe Neighborhood Parks 2010B	2,170,000	566,375	2,736,375	2,734,625	1,750
2008 Clean and Safe Neighborhood Parks, BAB 2010D	-	1,956,703	1,956,703	-	-
2008 Clean and Safe Neighborhood Parks, Series 2012B	2,350,000	2,002,026	4,352,026	4,352,426	(400)
2008 Clean and Safe Neighborhood Parks, Series 2014D (Estimate)	130,000	281,138	411,138	-	411,138
2008 Clean and Safe Neighborhood Parks, Series 2013E (Estimate)	-	-	-	411,138	(411,138)
2012 Clean and Safe Neighborhood Parks, Series 2013A	17,320,000	2,991,000	20,311,000	12,091,372	8,219,628
2012 Clean and Safe Neighborhood Parks, Series 2014F (Estimate)	260,000	550,798	810,798	-	810,798
2008 San Francisco General Hospital Improvement Bonds, Series 2009A	4,590,000	5,042,388	9,632,388	9,633,988	(1,600)
2008 San Francisco General Hospital Improvement Bonds, Series 2010A	10,580,000	2,762,463	13,342,463	13,341,213	1,250
2008 San Francisco General Hospital Improvement Bonds, BAB Series 2010C	-	9,540,977	9,540,977	-	-
2008 San Francisco General Hospital Improvement Bonds, Series 2012D	6,625,000	8,429,750	15,054,750	36,569,750	(21,515,000)
2008 San Francisco General Hospital Improvement Bonds, Series 2013D (Estimate)	-	-	-	17,278,545	(17,278,545)
2008 San Francisco General Hospital Improvement Bonds, Series 2014A	16,000,000	8,701,862	24,701,862	-	24,701,862
2010 Earthquake Safety & Emergency Response, Series 2010E	2,040,000	3,556,000	5,596,000	5,598,250	(2,250)
2010 Earthquake Safety & Emergency Response, Series 2012A	5,510,000	5,976,400	11,486,400	11,488,400	(2,000)
2010 Earthquake Safety & Emergency Response, Series 2012E	1,275,000	1,619,200	2,894,200	3,293,950	(399,750)
2010 Earthquake Safety & Emergency Response, Series 2013B	7,465,000	1,289,450	8,754,450	5,205,838	3,548,612
2010 Earthquake Safety & Emergency Response, Series 2014C (Estimate)	1,565,000	2,065,272	3,630,272	-	3,630,272
2010 Earthquake Safety & Emergency Response, Series 2014D (Estimate)	2,870,000	3,788,426	6,658,426	-	6,658,426
2011 Road Repaving and Street Safety S2012C	2,405,000	2,049,350	4,454,350	4,451,750	2,600
2011 Road Repaving and Street Safety S2013C	31,205,000	5,384,700	36,589,700	21,764,318	14,825,382
2011 Road Repaving and Street Safety S2015A (Estimate)	675,000	1,427,356	2,102,356	-	2,102,356
2011 General Obligation Bond Refunding Series 2011 R1	22,485,000	13,443,650	35,928,650	40,985,150	(5,056,500)
2006 General Obligation Bond Refunding, Series 2006 R1	8,765,000	2,016,250	10,781,250	10,783,450	(2,200)
2006 General Obligation Bond Refunding, Series 2006 R2	4,785,000	943,620	5,728,620	5,758,695	(30,075)
2008 General Obligation Bond Refunding, Series 2008 R1	13,185,000	1,539,850	14,724,850	20,718,100	(5,993,250)
2008 General Obligation Bond Refunding, Series 2008 R2	4,920,000	1,031,988	5,951,988	4,617,738	1,334,250
2008 General Obligation Bond Refunding, Series 2008 R3 (Laguna Honda)	-	5,847,138	5,847,138	5,847,138	-
SUB-TOTAL GENERAL CITY BEFORE NET PREMIUM & FEDERAL SUBSIDY	\$ 173,479,884	\$ 99,189,878	\$ 272,669,762	\$ 256,407,205	\$ 16,262,557
FEDERAL SUBSIDY AVAILABLE FOR DEBT SERVICE PAYMENT					
2010 Earthquake Safety & Emergency Response Series 2012E	\$ -	\$ (265,024)	\$ (265,024)	\$ (3,293,950)	\$ 3,028,926.00
2012 Clean & Safety Neighborhood Parks Series 2013A	-	(2,747,656.00)	(2,747,656.00)	(3,298,372.00)	548,716.00
2010 Earthquake Safety & Emergency Response Series 2013B	-	(1,185,218.00)	(1,185,218.00)	(1,420,838.00)	235,620.00
2011 Road Repaving & Street Safety Series 2013C	-	(4,948,138.00)	(4,948,138.00)	(5,934,318.00)	986,180.00
2008 San Francisco General Hospital Improvement Bonds, Series 2014A	-	(8,701,862.00)	(8,701,862.00)	-	(8,701,862.00)
2008 San Francisco General Hospital Improvement Bonds, BAB Series 2010C	-	(3,339,342.00)	(3,339,342.00)	(3,048,819.00)	(290,523.00)
2008 Clean and Safe Neighborhood Parks, BAB 2010D	-	(684,846.00)	(684,846.00)	(625,264.00)	(59,582.00)
Tobacco Settlement Revenue and SB1125 Reimbursement	(9,515,000)	(10,989,288.00)	(20,504,288.00)	(20,586,288.00)	82,000.00
TOTAL FEDERAL SUBSIDY	(9,515,000)	(32,861,374)	(42,376,374)	(38,205,849)	(4,170,525)
SUB-TOTAL GENERAL CITY NET OF NET PREMIUM & FEDERAL SUBSIDY	\$ 163,964,884	\$ 66,328,504	\$ 230,293,388	\$ 218,201,356	\$ 12,092,032
OUTSIDE CITY ANNUAL BUDGET					
SAN FRANCISCO COMMUNITY COLLEGE DISTRICT (SFCCD)					
2001 Community College District, 2002 Series A	\$ 1,410,000	\$ 1,323,613	\$ 2,733,613	\$ 2,730,369	\$ 3,244
2001 Community College District, 2004 Series B	5,325,000	3,122,106	8,447,106	8,498,106	(51,000)
2001 Community College District, 2006 Series C	1,460,000	1,810,838	3,270,838	3,270,338	500
2005 Community College District, 2006 Series A	2,795,000	3,468,278	6,263,278	6,234,678	28,600
2005 Community College District, 2007 Series B	3,565,000	4,396,106	7,961,106	7,960,856	250
2005 Community College District, 2010 Series C	1,315,000	252,213	1,567,213	1,570,613	(3,400)
2005 Community College District, 2010 Series D	-	1,497,300	1,497,300	1,497,300	-
SUB-TOTAL SF COMMUNITY COLLEGE DISTRICT BEFORE NET BID PREMIUM	\$ 15,870,000	\$ 15,870,454	\$ 31,740,454	\$ 31,762,260	\$ (21,806)
SAN FRANCISCO UNIFIED SCHOOL DISTRICT (SFUSD)					
2003 Unified School District, Series C (2006)	\$ 4,145,000	\$ 3,012,144	\$ 7,157,144	\$ 7,161,744	\$ (4,600)
2006 Unified School District, Series A (2007)	4,305,000	3,176,550	7,481,550	7,481,550	-
2006 Unified School District, Series B (2009)	8,640,000	5,131,013	13,771,013	13,721,413	49,600
2006 Unified School District, 2010 Series C (CSBCs)	-	742,969	742,969	742,969	-
2006 Unified School District, 2010 Series D (BABs)	-	4,150,420	4,150,420	4,150,420	-
2006 Unified School District, 2010 Series E	7,000,000	3,710,750	10,710,750	10,711,850	(1,100)
2011 Unified School District, 2012 Series A	3,980,000	4,805,350	8,785,350	8,784,850	500
2011 Unified School District, 2013 Series B	-	-	-	11,774,260	(11,774,260)
2011 Unified School District, 2014 Series B	-	9,137,263	9,137,263	-	9,137,263
2012 General Obligation Refunding Bonds	7,415,000	4,299,450	11,714,450	11,716,635	(2,185)
SUB-TOTAL SF UNIFIED SCHOOL DISTRICT BEFORE NET BID PREMIUM	\$ 35,485,000	\$ 38,165,909	\$ 73,650,909	\$ 76,245,691	\$ (2,594,782)
NET PREMIUM AVAILABLE FOR DEBT SERVICE PAYMENT					
2006 Unified School District, Series C (2010) QSCBs	-	\$ (702,161)	\$ (702,161)	\$ (641,073)	\$ (61,088)
2006 Unified School District, Series D (2010) BABs	-	(1,452,647)	(1,452,647)	(1,326,267)	(126,380)
2011 Unified School District, Series B (2014)	-	(9,137,263)	(9,137,263)	-	(9,137,263)
TOTAL NET BID PREMIUM	\$ -	\$ (11,292,071)	\$ (11,292,071)	\$ (1,967,340)	\$ (9,324,731)
SUB-TOTAL NET OF NET PREMIUM AVAILABLE FOR DEBT SERVICE PAYMENT	\$ 35,485,000	\$ 26,873,838	\$ 62,358,838	\$ 74,278,351	\$ (11,919,513)
BAY AREA RAPID TRANSIT DISTRICT (BART)					
2004 BART Earthquake Safety Bonds Series A (2005)	\$ 346,500	\$ 580,200	\$ 906,700	\$ 907,208	\$ (508)
2004 BART Earthquake Safety Bonds Series B (2007)	871,200	5,971,932	6,843,132	6,661,764	181,368
2004 BART Earthquake Safety Bonds Series A (2013)	-	3,439,821	3,439,821	-	3,439,821
SUB-TOTAL BAY AREA RAPID TRANSIT DISTRICT	\$ 1,217,700	\$ 9,971,953	\$ 11,189,653	\$ 7,568,972	\$ 3,620,681
SUB-TOTAL SFCCD, SFUSD AND BART	\$ 52,572,700	\$ 52,716,245	\$ 105,288,945	\$ 113,609,583	\$ (8,320,638)
TOTAL GENERAL OBLIGATIONS - GENERAL CITY, SFCCD, SFUSD AND BART					
	\$ 216,537,584	\$ 119,044,749	\$ 335,582,333	\$ 331,810,939	\$ 3,771,394

Attachment C

COMPARATIVE TAX BILL

A comparative tax bill calculation of a home in San Francisco with an assessed value of \$500,000 in fiscal year 2013-2014 is as follows:

	<u>Assessed Value (100%)</u>	<u>Property Tax Rate per \$100 Value</u>	<u>Tax Bill</u>	<u>% Change</u>
<u>FY 2013-2014</u>				
Assessed Value FY 2013-14	\$500,000			
Less Homeowners' Exemption	<u>7,000</u>			
	<u>\$493,000</u>	\$1.1880	\$5,856.84	
<u>FY 2014-2015</u>				
Prior Year Assessed Value	\$500,000			
Add 0.454% Consumer Price Index (CPI) Increase	<u>2,270</u>			
Assessed Value FY 2014-15	\$502,270			
Less Homeowners' Exemption	<u>7,000</u>			
	<u>\$495,270</u>	\$1.1773	\$5,830.80	
Increase / (Decrease)		<u>(\$0.0107)</u>	<u>\$ (26.04)</u>	<u>(0.44%)</u>