

File No. 141188

Committee Item No. 5

Board Item No. \_\_\_\_\_

### COMMITTEE/BOARD OF SUPERVISORS

#### AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Committee

Date December 10, 2014

Board of Supervisors Meeting

Date \_\_\_\_\_

#### Cmte Board

- |                                     |                          |  |
|-------------------------------------|--------------------------|--|
| <input type="checkbox"/>            | <input type="checkbox"/> | Motion                                       |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Resolution                                   |
| <input type="checkbox"/>            | <input type="checkbox"/> | Ordinance                                    |
| <input type="checkbox"/>            | <input type="checkbox"/> | Legislative Digest                           |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Budget and Legislative Analyst Report        |
| <input type="checkbox"/>            | <input type="checkbox"/> | Youth Commission Report                      |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Introduction Form                            |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/>            | <input type="checkbox"/> | MOU  |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Grant Information Form                       |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Grant Budget                                 |
| <input type="checkbox"/>            | <input type="checkbox"/> | Subcontract Budget                           |
| <input type="checkbox"/>            | <input type="checkbox"/> | Contract/Agreement                           |
| <input type="checkbox"/>            | <input type="checkbox"/> | Form 126 – Ethics Commission                 |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Award Letter                                 |
| <input type="checkbox"/>            | <input type="checkbox"/> | Application                                  |
| <input type="checkbox"/>            | <input type="checkbox"/> | Public Correspondence                        |

#### OTHER (Use back side if additional space is needed)

<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____

Completed by: Linda Wong Date December 5, 2014  
Completed by: \_\_\_\_\_ Date \_\_\_\_\_

1 [Accept and Expend Grant - State-County Assessor's Partnership Agreement - \$1,285,000]

2  
3 **Resolution authorizing the Office of the Assessor-Recorder to accept and expend a**  
4 **State-County Assessor's Partnership Agreement Program Grant from the California**  
5 **State Department of Finance in the amount of \$1,285,000 (\$300,000 for FY2014-2015,**  
6 **\$460,000 for FY2015-2016, and \$525,000 for FY2016-2017) for the period of October 15,**  
7 **2014, to June 30, 2017.**

8  
9 WHEREAS, The California Legislature has established a three-year pilot  
10 program, called the State-County Assessor's Partnership Agreement Program  
11 (SCAPA), limited to nine competitively selected county assessors' offices to quantify  
12 the benefit of providing county assessors with state grants to improve their ability to  
13 fairly and efficiently administer the county property tax rolls, and related essential  
14 duties; and

15 WHEREAS, All selected counties are required to provide matching funds on a  
16 dollar-for-dollar basis with SCAPA grant funds; and

17 WHEREAS, SCAPA funds and matching funds provided by selected counties  
18 shall be used to supplement, and not supplant, existing funding to county assessor  
19 offices; and

20 WHEREAS, SCAPA is codified in Revenue and Taxation Code Section 95.5;  
21 and

22 WHEREAS, The Board of Supervisors approved the Assessor-Recorder to  
23 submit an application for SCAPA funding not to exceed \$530,000 annually for the  
24 three-year grant term through Resolution 325-14, a copy of which is on file with the  
25 Clerk of the Board under File No. 140934; and

1           WHEREAS, The Assessor-Recorder applied for funding from the State  
2 Department of Finance (DOF) for the purpose of assessing and enrolling newly  
3 constructed property and in-progress new construction valuations and was awarded  
4 \$1,285,000 in a letter dated October 15, 2014, in the amount of \$300,000 for FY2014-  
5 2015, \$460,000 for FY2015-2016, and \$525,000 for FY2016-2017; and

6           WHEREAS, The Office of the Assessor-Recorder has identified non-General  
7 Fund monies appropriated in its FY2014-2016 departmental budget to provide the  
8 required matching funds; and

9           WHEREAS, The proposed grant requires an amendment to the FY2014-2015 through  
10 FY2015-2016 Annual Salary Ordinance to create five grant-funded positions during the three-  
11 year grant period, a copy of which is on file with the Clerk of the Board of Supervisors under  
12 File No. 141181; and

13           WHEREAS, The Office of the Assessor-Recorder proposes to maximize use of  
14 available grant funds on personnel expenditures by not including indirect costs in the grant  
15 budget; now, therefore, be it

16           RESOLVED, That the Office of the Assessor-Recorder is hereby authorized to  
17 accept and expend a grant of \$1,285,000 for the purposes of hiring additional staff to  
18 assess and enroll newly constructed property and in-progress new construction  
19 valuations; and, be it

20           FURTHER RESOLVED, That the Board of Supervisors hereby waives inclusion of  
21 indirect costs in the grant budget; and, be it


22           FURTHER RESOLVED, That the Office of the Assessor-Recorder hereby  
23 agrees to use the SCAPA funds for eligible activities in the manner presented in the  
24 application as approved by DOF and in accordance with program guidelines; and, be it  
25

1 FURTHER RESOLVED, That the City and County of San Francisco authorizes  
2 the Assessor-Recorder, or her designee, to execute an agreement with DOF, and to  
3 take any other steps necessary to accept and expend the grant funds; and, be it

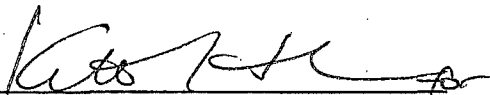
4 FURTHER RESOLVED, That the City and County of San Francisco agrees to  
5 provide matching funds required for the SCAPA grant not to exceed \$1,285,000 in total  
6 for the grant term from October 15, 2014 through June 30, 2017; and, be it

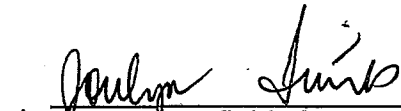
7 FURTHER RESOLVED, That funds received hereunder shall not be used to  
8 supplant expenditures controlled by the Board of Supervisors.  
9

10 Recommended:

11   
12 \_\_\_\_\_  
13 Carmen Chu, Assessor-Recorder

14 Approved:

15   
16 \_\_\_\_\_  
17 Edwin M. Lee, Mayor

18   
19 \_\_\_\_\_  
20 Ben Rosenfield, Controller

<b>Items 4 and 5</b> <b>Files 14-1181 &amp; 14-1188</b>	<b>Department:</b> Office of the Assessor-Recorder (OAR)
--	---

**EXECUTIVE SUMMARY**

**Legislative Objectives**

- The proposed resolution (File 14-1188) authorizes the Assessor-Recorder’s Office (Assessor) to accept and expend a Program grant from the State-County Assessor’s Partnership Agreement Program (SCAPA) in the amount of \$1,285,000 from October 15, 2014, to June 30, 2017. The grant requires one-to-one matching funds.
- The proposed ordinance (File 14-1181) amends the FY 2014-15 Annual Salary Ordinance (ASO) and creates two Class 4261 Real Property Appraiser positions, two Class 4214 Office Specialist positions, and one Class 4215 Senior Office Specialist position.

**Key Points**

- The Assessor has a backlog of 7,900 potentially assessable new construction permits as of July 1, 2014. The Assessor applied for a grant from the State-County Assessor’s Partnership Agreement Program (the Program) on September 15, 2014, and was awarded \$1,285,000 in total grant funding to be spent over a three-year period. The grant will be used specifically to hire five new positions to assess and enroll newly constructed property and in-progress new construction valuations, in an effort to reduce the existing backlog.
- The Assessor must spend matching funds of \$1,285,000 as a condition of receiving the Program Grant. The Department of Building Inspection will provide these matching funds through a work order to pay for four new property appraisers approved by the Board of Supervisors in the Assessor’s FY 2014-15 budget.
- The Assessor estimates that the addition of the grant funded members will allow it to reduce its new construction backlog by at least 1,000 cases in FY 2014-15 and by 1,500 in both FY 2015-16 and FY 2016-17, compared to the prior year’s backlog.

**Fiscal Impact**

- The Assessor will expend a total of \$2,570,000 in Program grant and matching funds over a three-year period, from FY 2014-15 to FY 2016-17.
- \$600,000 will be spent in FY 2014-15, \$920,000 will be spent in FY 2015-16, and \$1,050,000 will be spent in FY 2016-17.

**Recommendations**

- Amend the proposed ordinance (File 14-1181) to require designation in the City’s budget system of the five positions funded by the state grant (two Class 4261 Real Property Appraiser positions, two Class 4214 Office Specialist positions, and one Class 4215 Senior Office Specialist position) as Grant-Funded to be terminated when the state grant terminates.
- Approve the proposed resolution, and the proposed ordinance, as amended.

**MANDATE STATEMENT / BACKGROUND****Mandate Statement**

City Administrative Code Section 10.170-1 states that accepting Federal, State, or third-party grant funds in the amount of \$100,000 or more if the grant requires any City matching funds, is subject to approval by the Board of Supervisors.

Administrative Code Section 10.04 specifies that a salary ordinance identifying the number and rates of compensation for positions created is subject to approval by the Board of Supervisors.

**Background**

The Assessor-Recorder's Office (Assessor) screens an estimated 25,000 building inspection permits annually as part of its new construction assessment workload. In a typical year, 5,000 of those permits become new cases to assess for property value. San Francisco's level of new construction is growing based on the high volume of real estate development activity and an improved economy. The Assessor had a backlog of 7,900 potentially assessable new construction permits as of July 1, 2014.

The California State Legislature and Governor have established the State-County Assessor's Partnership Agreement Program to enhance local property assessment efforts. The Program will begin on a three-year pilot basis and be administered by the Department of Finance (Finance). Program funds are to be used to supplement, not supplant, existing funding. The City and County are required to provide one-to-one matching funds as a condition of receiving the grant from Finance.

The Assessor applied for State grant funds on September 15, 2014, and was awarded \$1,285,000 in total grant funding to be expended over the three-year period. The goal for the funds is to reduce the backlog of new construction assessments. The grant will be used specifically to hire additional staff that will assess and enroll newly constructed property and in-progress new construction valuations.

In FY 2013-14, the existing staff of the Assessor-Recorder's Office enrolled approximately \$1.2 billion in property assessments of newly constructed and in-progress new construction for residential and commercial properties as of the lien date.

**DETAILS OF PROPOSED LEGISLATION**

The proposed resolution (File 14-1188) authorizes the Assessor to accept and expend a State grant from the State-County Assessor's Partnership Agreement Program in the amount of \$1,285,000 over the period of October 15, 2014, to June 30, 2017 to pay for five new staff positions to reduce the backlog of new construction assessments. The grant requires the expenditure of one-to-one matching funds of \$1,285,000 by the City. Therefore, the total to be expended by the Assessor is \$2,570,000.

The proposed ordinance (File 14-1181) amends FY 2014-15 Annual Salary Ordinance (ASO) to create a total of five new positions to be paid for by the proposed State grant, including:

- Two Class 4261 Real Property Appraiser positions;
- Two Class 4214 Office Specialist positions; and
- One Class 4215 Senior Office Specialist position.

The five positions listed above will be paid for by the proposed state grant. The two Real Property Appraisers will assess and enroll newly constructed property and in-progress new construction valuations as of the lien date.<sup>1</sup> The two Office Specialists will support the appraisal work by photographing and documenting new construction properties and entering essential property characteristics into the property tax assessment database system. These efforts will help the Real Property Appraisers to work more efficiently in reducing the backlog of new construction cases. The Senior Office Specialist will expedite parcel splits and other parcel management work to allow for the reassessment of newly constructed condominium units, as units are sold, rather than at a later time. A parcel split occurs when a newly purchased property is split into two separate parcels to accommodate the new owner.

In addition to the State grant funds for the five positions described above, the City will also provide \$1,285,000 in required matching funds that will be used to hire four additional staff:

- Two Class 4265 Senior Real Property Appraisers; and
- Two Class 4261 Real Property Appraisers.

These four positions will be responsible for assessing and enrolling newly constructed property and in-progress new construction valuations for commercial and residential property as of the lien date. The Board of Supervisors approved these four new positions in the Assessor's FY 2014-15 budget, which will be funded by the Department of Building Inspection through a work order with the Assessor.

The Assessor estimates that the addition of the grant-funded staff members will allow the Assessor's Office to reduce its new construction backlog of an estimated 7,900 cases by at least 1,000 cases in FY 2014-15 and by 1,500 in both FY 2015-16 and FY 2016-17.

## **FISCAL IMPACT**

The Assessor will spend \$2,570,000 in FY 2014-15 to FY 2016-17. All of the grant funds and matching funds will be used to cover the salaries and benefits for the nine newly created staff positions. \$600,000 will be spent in FY 2014-15, \$920,000 will be spent in FY 2015-16, and \$1,050,000 will be spent in FY 2016-17, as shown in Table 1 below.

<sup>1</sup> The lien date is the time when taxes for any fiscal year become a lien on property; and the time as of which property is valued for tax purposes. The lien date for California property is January 1.

**Table 1: Program Grant and Matching Funds Expenditure Schedule <sup>2</sup>**

	FY 2014-15 (January 2015 through June 2015)	FY 2014-15	FY 2015-16	Total
<b>State Grant</b>				
Permanent Salaries - Misc.	\$217,000	\$365,000	\$378,000	\$960,000
Mandatory Fringe Benefits	83,000	95,000	147,000	325,000
<i>Subtotal (State Grant)</i>	<i>\$300,000</i>	<i>\$460,000</i>	<i>\$525,000</i>	<i>\$1,285,000</i>
<b>Department of Building Inspection Work Order</b>				
Permanent Salaries - Misc.	\$215,000	\$325,000	\$372,500	\$912,500
Mandatory Fringe Benefits	85,000	135,000	152,500	372,500
<i>Subtotal (Matching Funds)</i>	<i>\$300,000</i>	<i>\$460,000</i>	<i>\$525,000</i>	<i>\$1,285,000</i>
<b>Total</b>	<b>\$600,000</b>	<b>\$920,000</b>	<b>\$1,050,000</b>	<b>\$2,570,000</b>

Source: Assessor-Recorder's Office

According to Mr. Edward McCaffrey, the Assessor's Director of Communications and External Affairs, the source of the matching funds will be non-General Fund monies obtained through a work order with the Department of Building Inspection (DBI). The four positions to be funded by the DBI work-order were previously approved by the Board of Supervisors in FY 2014-15. According to Ms. Taras Madison, DBI Budget Manager, the matching funds are appropriated in the FY 2014-15 and 2015-16 budgets, and DBI intends to ask for appropriation of these funds in the FY 2016-17 budget.

The Budget and Legislative Analyst recommends amending the proposed ordinance (File 14-1181) to require designation of the five positions funded by the State grant (two Class 4261 Real Property Appraiser positions, two Class 4214 Office Specialist positions, and one Class 4215 Senior Office Specialist position) as Grant-Funded to be terminated when the Program grant terminates. The four positions that will be funded with the City-required matching funds were approved during the FY 14-15 budget process by the Board of Supervisors.

Based on an analysis of the dollar value of properties enrolled in FY 2013-14, the Assessor anticipates that the new five staff funded through the state grant will enroll the following amounts in each fiscal year during the three-year pilot program, through assessing newly constructed and in-progress new construction residential and commercial properties:

- FY 2014-15: \$155 million;
- FY 2015-16: \$180 million; and
- FY 2016-17: \$180 million.

<sup>2</sup> Although the DBI work order funds four positions and the grant funds five positions, the DBI work order positions are higher classifications, resulting in higher salary and fringe benefit costs per position.



**RECOMMENDATIONS**

1. Amend the proposed ordinance (File 14-1181) to require designation in the City's budget system of the five positions funded by the State grant (two Class 4261 Real Property Appraiser positions, two Class 4214 Office Specialist positions, and one Class 4215 Senior Office Specialist position) as Grant-Funded to be terminated when the state grant terminates.
2. Approve the proposed resolution (File 14-1188), and the proposed ordinance (File 14-1181), as amended.

CARMEN CHU  
ASSESSOR-RECORDER



SAN FRANCISCO  
OFFICE OF THE ASSESSOR-RECORDER

**TO:** Angela Calvillo, Clerk of the Board of Supervisors  
**FROM:** Edward McCaffrey, Communications Director  
**DATE:** November 13, 2014  
**SUBJECT:** Accept and Expend Resolution  
**GRANT TITLE:** State-County Assessor's Partnership Agreement Program

Attached please find the original and 2 copies of each of the following:

Proposed resolution, signed  
 Grant information form  
 Grant expenditure schedule  
 Grant application  
 Grant award letter from funding agency  
 Ethics Form 126  
 Grant Agreement  
 Other (Explain): \_\_\_\_\_

Departmental representative to receive copy of the adopted Resolution:

**Name:** Edward McCaffrey  
**Phone:** 415-554-5231  
**Interoffice Mail Address:** City Hall, Room 190  
**Certified copy required:** No.

**File Number:** \_\_\_\_\_  
(Provided by Clerk of Board of Supervisors)

**Grant Resolution Information Form**  
(Effective July 2011)

Purpose: Accompanies proposed Board of Supervisors resolution authorizing a Department to accept and expend grant funds.

The following describes the grant referred to in the accompanying resolution:

1. **Grant Title:** State-County Assessor's Partnership Agreement Program (SCAPA)
2. **Department:** Assessor-Recorder
3. **Contact Person:** Edward J. McCaffrey                      **Telephone:** (415) 554-5231
4. **Grant Approval Status (check one):**  
 Approved by funding agency                       Not yet approved
5. **Amount of Grant Funding Approved or Applied for:** \$1,285,000
6. a. **Matching Funds Required:** \$1,285,000  
b. **Source(s) of matching funds (if applicable):** Non-General Fund monies through a work order with the Department of Building Inspection.
7. a. **Grant Source Agency:** California Department of Finance  
b. **Grant Pass-Through Agency (if applicable):** n/a
8. **Proposed Grant Project Summary:**

The California State Legislature and Governor Jerry Brown have established the State-County Assessor's Partnership Agreement Program to enhance local property assessment efforts. The Program will begin on a three-year pilot basis and be administered by the Department of Finance. Program funds are to be used to supplement, and not supplant, existing funding. This Program is codified in Revenue and Taxation Code Section 95.5.

The City and County of San Francisco applied on September 15, 2014, and was awarded \$1.285 million in total grant funding over the three-year period to focus exclusively on new construction assessments and enrollment (\$300,000 in FY2014-15, \$460,000 in FY2015-16 and \$525,000 in FY2016-17). Program funds will be used to hire and support additional staff involved in assessing and enrolling newly constructed property and in-progress new construction valuations. Along with San Francisco's dollar-for-dollar match, state funds will provide much needed additional resources to reduce the backlog of new construction assessments and pilot more efficient processes.

9. **Grant Project Schedule, as allowed in approval documents, or as proposed:**

**Start-Date:** October 15, 2014

**End-Date:** June 30, 2017

10. a. **Amount budgeted for contractual services:** None  
b. **Will contractual services be put out to bid?** n/a  
c. **If so, will contract services help to further the goals of the Department's Local Business Enterprise (LBE) requirements?** n/a  
d. **Is this likely to be a one-time or ongoing request for contracting out?** n/a

**11. a. Does the budget include indirect costs?**

Yes  No

b. 1. If yes, how much? \$ n/a

c. 2. How was the amount calculated? n/a

b. 1. If no, why are indirect costs not included?

Not allowed by granting agency

To maximize use of grant funds on direct services

Other (please explain):

c. 2. If no indirect costs are included, what would have been the indirect costs?

The department does not have an established indirect cost rate in order to calculate what would have been the indirect costs.

**12. Any other significant grant requirements or comments: n/a**

**\*\*Disability Access Checklist\*\***

15. This Grant is intended for activities at (check all that apply):

- |  |   |   |
|--|---|---|
| <input type="checkbox"/> Existing Site(s)      | <input type="checkbox"/> Existing Structure(s)      | <input checked="" type="checkbox"/> Existing Program(s) or Service(s) |
| <input type="checkbox"/> Rehabilitated Site(s) | <input type="checkbox"/> Rehabilitated Structure(s) | <input type="checkbox"/> New Program(s) or Service(s)                 |
| <input type="checkbox"/> New Site(s)           | <input type="checkbox"/> New Structure(s)           |   |

16. The Departmental ADA Coordinator or the Mayor's Office on Disability have reviewed the proposal and concluded that the project as proposed will be in compliance with the Americans with Disabilities Act and all other Federal, State and local access laws and regulations and will allow the full inclusion of persons with disabilities, or will require unreasonable hardship exceptions, as described in the comments section:

Comments:

Departmental ADA Coordinator or Mayor's Office of Disability Reviewer:

Mike Nettles

(Name)

Senior Personnel Analyst

(Title)

Date Reviewed: 11/12/14



(Signature Required)

**Overall Department Head or Designee Approval:**

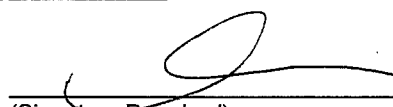
Carmen Chu

(Name)

Assessor-Recorder

(Title)

Date Reviewed: 11/12/2014



(Signature Required)

**State-County Assessor's Partnership Agreement )(SCAPA) Program - Grant Expenditure Schedule**

Office of the Assessor-Recorder

**SCAPA Grant Budget**

<b>Character</b>	<b>Character Title</b>	<b>FY14-15</b>	<b>FY15-16</b>	<b>FY16-17</b>	<b>Grant Total</b>
001	Permanent Salaries - Misc	\$ 217,000	\$ 365,000	378,000	\$ 960,000
013	Mandatory Fringe Benefits	\$ 83,000	\$ 95,000	147,000	\$ 325,000
	<b>Total</b>	<b>\$ 300,000</b>	<b>\$ 460,000</b>	<b>\$ 525,000</b>	<b>\$ 1,285,000</b>

**Assessor-Recorder Matching Funds Budget**

<b>Character</b>	<b>Character Title</b>	<b>FY14-15</b>	<b>FY15-16</b>	<b>FY16-17</b>	<b>Match Total</b>
001	Permanent Salaries - Misc	\$ 215,000	\$ 325,000	\$ 372,500	\$ 912,500
013	Mandatory Fringe Benefits	\$ 85,000	\$ 135,000	\$ 152,500	\$ 372,500
	<b>Total</b>	<b>\$ 300,000</b>	<b>\$ 460,000</b>	<b>\$ 525,000</b>	<b>\$ 1,285,000</b>

**Instructions:**

- Please complete all eight tabs. All answers should be entered into the text box provided. Please expand text boxes as needed.
- Applications are due **September 15, 2014**.
- Please print the completed application, sign and date the signature block below, and submit your signed application in .PDF along with a completed Excel version.
- Along with your application, please attach a copy of your County Board of Supervisors' resolution agreeing to match any and all awarded program funds.
- Please e-mail the application to: [Chris.Hill@dof.ca.gov](mailto:Chris.Hill@dof.ca.gov) and [Derk.Symons@dof.ca.gov](mailto:Derk.Symons@dof.ca.gov)
- Please enter on the E-mail subject line: **State-County Assessors' Partnership Program Application for the County of** (name of your county).

If you have any questions, please send us an e-mail to either of the above addresses, or call us at (916) 445-1546.

*I, the undersigned, agree on behalf of the County of (insert name of county here) to abide by all statutory criteria and associated California Department of Finance decisions governing the operation of the State-County Assessors' Partnership Program, in the event that the county is selected as a Program participant.*

Carmen Chu

Assessor-Recorder

Name

Title

Carmen Chu

Signature (Written)



Signature (Electronic)

\$1,285,000

Amount Requested

### Discovering, Assessing, and Enrolling New Construction

<p>Question 1: How many new staff do you anticipate funding for this activity using Program funds? Alternatively, if your office does not plan to add new staff, but instead plans to use Program funds in some other way that will supplement instead of supplant existing staff resources for this activity, please explain how that will be done.</p>	<p>Answer to Question 1:</p> <p>Program funds will be used to hire and support two (2) Real Property Appraiser positions, one (1) Assessor-Recorder Senior Office Specialist position and two (2) Assessor-Recorder Office Specialist positions, for a total of five (5) new positions in the San Francisco Office of the Assessor-Recorder (ASR).</p> <p>The Real Property Appraisers will be responsible for assessing and enrolling newly constructed property and lien date, in-progress new construction valuations. The ASR Office Assistants will support the appraisal work by photographing and documenting new construction properties and entering essential property characteristics into the property tax assessment database system; this assistance will enable the Real Property Appraisers to work more efficiently in reducing the backlog of new construction cases. The ASR Senior Office Specialist will expedite parcel splits and other parcel management work to allow for the reassessment of newly constructed condominium units, as units are sold, rather than at a later time.</p> <p>Matching Funds (Non-Program funds) will be used to hire and support two (2) Senior Real Property Appraiser positions and two (2) Real Property Appraiser positions. These four (4) new positions will be responsible for assessing and enrolling newly constructed property and lien date, in-progress new construction valuations for commercial and residential properties. Matching funds are designated for new positions and do not supplant the office's current funding level for existing staff.</p>
<p>Question 2: What was the dollar value enrolled by existing staff in 2013/14 through discovering, assessing, and enrolling newly constructed property?</p>	<p>Answer to Question 2:</p> <p>In FY2013-14, the Office of the Assessor-Recorder's existing staff enrolled approximately \$1.2 billion in property assessments of newly constructed and lien date, in-progress new construction for residential and commercial properties.</p>
<p>Question 3: What is the estimated dollar value anticipated to be enrolled by Program staffing in each fiscal year through discovering assessing, and enrolling newly constructed property?</p>	<p>Answer to Question 3:</p> <p>Assuming the dollar value enrolled in FY2013-14, the Office of the Assessor-Recorder anticipates that Program-funded staff will enroll the following amounts in each fiscal year during the three-year pilot program, through assessing newly constructed and in-progress new construction residential and commercial properties:</p> <p>FY2014-15: \$155 million  FY2015-16: \$180 million  FY2016-17: \$180 million</p> <p>These projections are in addition to any additional dollar value for new construction cases enrolled by new staff funded with ASR's matching funds; those projections are not included as part of these estimates.</p>

<p>Question 4: What is the estimated backlog of new construction assessments and enrollments?</p>	<p>Answer to Question 4:</p> <p>San Francisco is experiencing a significant increase in construction activity well above historical averages (as described in the Additional Information section). As of July 1, 2014, the Office of the Assessor-Recorder's estimated backlog of potentially assessable new construction permits totaled 7,900. This backlog of new construction permits comprises permits that have passed an initial screening process to be assigned to an appraiser, not necessarily permits that will all result in additional enrolled value.</p>
<p>Question 5: What is the estimated rate at which the Program staffing will reduce this backlog?</p>	<p>Answer to Question 5:</p> <p>The office estimates with the addition of Program-funded staff, it will reduce its new construction backlog by at least 1,000 cases in FY2014-15 and by at least 1,500 cases in each of the following fiscal years, compared to the prior year's backlog (calculated as of July 1st annually).</p>
<p>If applicable: If your county plans to use Program funds to procure information technology (IT) resources to aid in this activity, describe the IT system and the benefits it will provide, including the estimated change in assessed valuation that it will change to the roll in each fiscal year.</p>	<p>IT System: Not applicable.</p>
<p>Please provide any additional pertinent information the Department of Finance should consider regarding this particular activity as it relates to your county .</p>	<p>Additional Information:</p> <p>The City and County of San Francisco's Office of the Assessor-Recorder is applying for \$1,285,000 in grant funding from the State-County Partnership Program to focus on new construction enrollment and assessment. The grant funds requested on an annual basis total \$300,000 in FY2014-15, \$460,000 in FY2015-16, and \$525,000 in FY2016-17. Program funding will cover the cost of hiring five (5) new staffers, starting in November 2014, and supporting those staffing costs during the grant period, from FY2014-15 through FY2016-17.</p> <p>ASR screens about 25,000 building inspection permits annually as part of its new construction assessment workload. In a typical year, about 5,000 of those 25,000 permits become new cases to assess for property value. However, San Francisco's level of new construction cases is growing based on the high volume of real estate development activity and an improved San Francisco economy. The office anticipates this upward trend in new construction cases to continue through the State-County Partnership Program three-year grant period. As of July 1, 2014, ASR has a backlog of 7,900 potentially assessable new construction permits. Without additional resources to handle the higher caseload, our office will fall further behind, resulting in forgone property tax revenue. Through the State-County Partnership Program, the office will be able to reduce its backlog of new construction assessments, and thereby, more effectively increase property tax revenues for the City and County of San Francisco and the State of California.</p>





DEPARTMENT OF  
**FINANCE**

EDMUND G. BROWN JR. • GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

October 15, 2014

Carmen Chu, Assessor-Recorder  
San Francisco County  
1 Dr. Carlton B. Goodlett Place, City Hall, Room 190  
San Francisco, CA 94102-4698

Dear Ms. Chu:

The Department of Finance is pleased to inform you that your county has been selected to participate in the State-County Assessor's Partnership Agreement Program (SCAPA). Provided that your county meets the minimum statutory requirements and that you wish to continue in the SCAPA, your participation will be automatically renewed in each of the next two fiscal years, provided funding is appropriated in the respective Budget Acts.

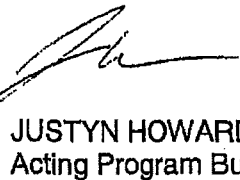
Pursuant to Revenue and Taxation Code Section 95.5, Finance will notify the State Controller's Office (SCO) to remit a 2014-15 funding amount of \$300,000 to your office, \$460,000 for 2015-16, and \$525,000 for year 2016-17. We will make this notification to the SCO no later than October 22, 2014.

Please remember that on April 15, 2015 and September 15, 2015, and each subsequent April and September 15th, each participant is required to provide Finance a report detailing the matching funds, uses of the grant funds, and the results of the funding. Finance will develop reporting templates for each reporting period.

Reporting requirements, forms, as well as other information and updates regarding the SCAPA can be found at: <http://www.dof.ca.gov/SCAPP/>.

If you have any additional questions regarding your award or the SCAPA, please feel free to contact Chris Hill or Derk Symons at (916) 445-1546.

Sincerely,



JUSTYN HOWARD  
Acting Program Budget Manager

# Introduction Form

By a Member of the Board of Supervisors or the Mayor

Time stamp  
or meeting date

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee. (An Ordinance, Resolution, Motion, or Charter Amendment)
- 2. Request for next printed agenda Without Reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning "Supervisor [ ] inquires"
- 5. City Attorney request.
- 6. Call File No. [ ] from Committee.
- 7. Budget Analyst request (attach written motion).
- 8. Substitute Legislation File No. [ ]
- 9. Reactivate File No. [ ]
- 10. Question(s) submitted for Mayoral Appearance before the BOS on [ ]

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission
- Youth Commission
- Ethics Commission
- Planning Commission
- Building Inspection Commission

**Note: For the Imperative Agenda (a resolution not on the printed agenda), use a Imperative Form.**

**Sponsor(s):**

Supervisor Mark Farrell

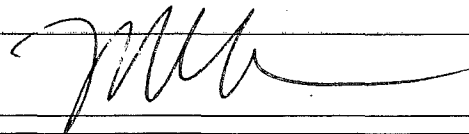
**Subject:**

[Accept and Expend – State-County Assessor’s Partnership Agreement – \$1,285,000]

**The text is listed below or attached:**

See attached.

Signature of Sponsoring Supervisor: \_\_\_\_\_



For Clerk's Use Only: