

AMENDED IN COMMITTEE

12/10/14

FILE NO. 141181

ORDINANCE NO.

1 [Public Employment - Amendment to the Annual Salary Ordinance for the Office of
2 the Assessor-Recorder - FYs 2014-15 and 2015-16]

3 **Ordinance amending Ordinance No. 147-14 (Annual Salary Ordinance, FY 2014-**
4 **2015 and FY 2015-2016) to reflect the addition of five (5) grant-funded positions**
5 **including two (2) Class 4214 Assessor-Recorder Office Specialist positions**
6 **(1.16 FTE), one (1) Class 4215 Assessor-Recorder Senior Office Specialist**
7 **position (0.65 FTE), and two (2) Class 4261 Real Property Appraiser positions**
8 **(1.16 FTE) in the Office of Assessor-Recorder for the implementation of the**
9 **State-County Assessors' Partnership Agreement grant.**

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11 **NOTE:** **Unchanged Code text and uncoded text** are in plain Arial font.
12 **Additions to Codes** are in *single-underline italics Times New Roman font*.
13 **Deletions to Codes** are in *strikethrough italics Times New Roman*.
14 **Board amendment additions** are double underlined Arial font.
15 **Board amendment deletions** are ~~Arial font~~.
16 **Asterisks (* * * *)** indicate the omission of unchanged Code
17 subsections or parts of tables.

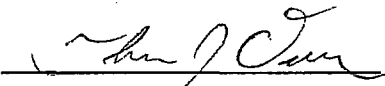
18 Be it ordained by the People of the City and County of San Francisco:


19 Section 1. The hereinafter designated sections and items of Ordinance No.
20 147-14 (Annual Salary Ordinance, FY 2014-2015 and FY 2015-2016) are hereby
21 amended to add five (5) grant-funded positions to the Office of the Assessor-
22 Recorder and reads as follows:

23 Department: ASR Office of the Assessor-Recorder (02)
24 Program: FDJ Real Property
25 Subfund: 2SGSFGNC – General Services Special Revenue Fund
Index Code: 02SCAP – State Assessors Partnership Agreement

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Amendment:	# of Pos.	Class and Item No.	Compensation Schedule
Add 0.58 FTE	4214	Assessor-Recorder Office Specialist	\$2,028 - \$2,466
Add 0.58 FTE	4214	Assessor-Recorder Office Specialist	\$2,028 - \$2,466
Add 0.65 FTE	4215	Assessor-Recorder Senior Office Specialist	\$2,242 - \$2,862
Add 0.58 FTE	4261	Real Property Appraiser	\$2,732 - \$3,320
Add 0.58 FTE	4261	Real Property Appraiser	\$2,732 - \$3,320

APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney
By: 
Thomas Owen
Deputy City Attorney

APPROVED AS TO CLASSIFICATION
DEPARTMENT OF HUMAN RESOURCES
By: 
Micki Callahan, Director
Department of Human Resources

<p>Items 4 and 5 Files 14-1181 & 14-1188</p>	<p>Department: Office of the Assessor-Recorder (OAR)</p>
<p>EXECUTIVE SUMMARY</p>	
<p style="text-align: center;">Legislative Objectives</p>	
<ul style="list-style-type: none"> • 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. 	
<p style="text-align: center;">Key Points</p>	
<ul style="list-style-type: none"> • 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. 	
<p style="text-align: center;">Fiscal Impact</p>	
<ul style="list-style-type: none"> • 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. 	
<p style="text-align: center;">Recommendations</p>	
<ul style="list-style-type: none"> • 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.¹ 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.

¹ 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 ²

	FY 2014-15 (January 2015 through June 2015)	FY 2014-15	FY 2015-16	Total
State Grant				
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>
Department of Building Inspection Work Order				
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>
Total	\$600,000	\$920,000	\$1,050,000	\$2,570,000

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.

² 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.

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

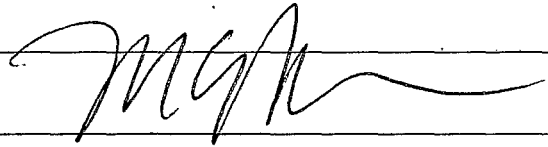
Subject:

[Public Employment - Amendment to the Annual Salary Ordinance for the Office of the Assessor-Recorder - FYs 2014-15 and 2015-16]

The text is listed below or attached:

See attached.

Signature of Sponsoring Supervisor: _____



For Clerk's Use Only:

