



Ben Rosenfield
Controller

Todd Rydstrom
Deputy Controller

July 28, 2015

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 2015-2016 which the City and County of San Francisco administers. The Bay Area Rapid Transit District (BART) also adopts a debt service tax rate factor 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 2015-2016 is projected to be \$1.1875 for each \$100 of assessed value, an increase of \$0.0132 or 1.12 percent from the \$1.1743 rate established for fiscal year 2014-2015. The overall rate increase is primarily due to growth in the annual debt service attributable to San Francisco Unified School District’s voter-approved bonds. Based on a \$1.1875 rate, the average tax bill for a home previously assessed at \$500,000 in fiscal year 2014-2015 will go from \$5,789.30 last fiscal year to \$5,973.00 in fiscal year 2015-2016, a \$183.70 or 3.17 percent increase. The respective tax rates by accruing entity are as follows:

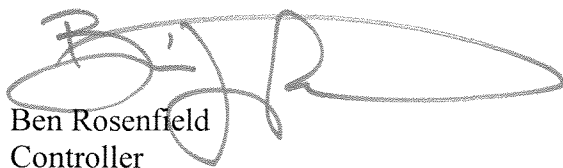
	<u>Tax Rate Ordinance</u>	<u>Estimated State Shift</u>	<u>Effect After State Shift</u>
San Francisco Community College District (includes 0.01407283 debt service)	\$0.02851705	0.0400	\$0.06851705
San Francisco Unified School District (includes 0.05246647 debt service)	0.12945504	0.2133	0.34275504
CCSF - General Fund	0.81668319	(0.2533)	0.56338319
CCSF - Library Preservation Fund	0.02500000		0.02500000
CCSF - Children’s Fund	0.03250000		0.03250000
CCSF - Open Space Acquisition Fund	0.02500000		0.02500000
CCSF - Bond Interest and Redemption Fund	0.11346583		0.11346583
CCSF - County Superintendent of Schools	0.00097335		0.00097335
Bay Area Air Quality Management District	0.00208539		0.00208539
BART District General Fund	<u>0.00632528</u>		<u>0.00632528</u>
Total excluding BART District Debt Service	\$1.18000513		\$1.18000513
BART Debt Service (Estimate)	<u>0.00750000</u>		<u>0.00750000</u>
Total Combined Tax Rate	<u>\$1.18750513</u>		<u>\$1.18750513</u>

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 2015-2016 general obligation bond debt service schedule (principal and interest) relevant to the property tax rate calculations.

For fiscal year 2015-2016, the pass-through rate for residential tenants is \$0.0920 per \$100 of assessed value, or 9.2 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 2015-2016, the consumer price index adjustment authorized by the State is 1.998%. As shown in Attachment C, the combination of a tax rate of \$1.1875 for each \$100 of assessed value and the 1.998% consumer price index adjustment that increases the assessed value of the example residence from \$500,000 in fiscal year 2014-2015 to \$509,990 in fiscal year 2015-2016 results in a \$183.70 property tax increase.

Sincerely,


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	0.0548	1.1743	-1.15%
2015 - 2016	1.0000	0.1135	0.0740	1.1875	1.12%

Attachment B

CITY AND COUNTY OF SAN FRANCISCO Debt Service Requirements - General Obligation Bonds Comparative Statement - Fiscal Year 2015-2016 and 2014-2015

Bond Description	FY 2015-2016	FY 2015-2016	FY 2015-2016	FY 2014-2015	INCREASE/ (DECREASE)
	Principal	Interest	Total	Total	
GENERAL CITY					
1992 UMB Program - Seismic Safety, Series 2007A (1st to 7th draw)	\$ 1,243,046	\$ 1,167,708	\$ 2,410,754	\$ 2,410,753	\$ 1
1992 UMB Program - Seismic Safety, Series 2014C (Estimate)	830,000	495,694	1,325,694	708,492	617,202
2000 Branch Library Facilities Improvement, Series 2008A	-	-	-	2,333,706	(2,333,706)
2008 Clean and Safe Neighborhood Parks 2008B	-	-	-	3,237,681	(3,237,681)
2008 Clean and Safe Neighborhood Parks 2010B	2,280,000	457,875	2,737,875	2,736,375	1,500
2008 Clean and Safe Neighborhood Parks, BAB 2010D	-	1,956,703	1,956,703	1,956,703	-
2008 Clean and Safe Neighborhood Parks, Series 2012B	2,445,000	1,908,026	4,353,026	4,352,026	1,000
2008 Clean and Safe Neighborhood Parks, Series 2014D (Estimate)	-	-	-	411,138	(411,138)
2008 Clean and Safe Neighborhood Parks, Series 2015C (Estimate)	205,000	373,380	578,380	-	578,380
2012 Clean and Safe Neighborhood Parks, Series 2013A	1,640,000	2,125,000	3,765,000	20,311,000	(16,546,000)
2012 Clean and Safe Neighborhood Parks, Series 2014F (Estimate)	-	-	-	810,798	(810,798)
2012 Clean and Safe Neighborhood Parks, Series 2015D (Estimate)	15,000,000	1,875,155	16,875,155	-	16,875,155
2008 San Francisco General Hospital Improvement Bonds, Series 2009A	4,820,000	996,613	5,816,613	9,632,388	(3,815,775)
2008 San Francisco General Hospital Improvement Bonds, Series 2010A	11,110,000	2,233,463	13,343,463	13,342,463	1,000
2008 San Francisco General Hospital Improvement Bonds, BAB Series 2010C	-	9,540,977	9,540,977	9,540,977	-
2008 San Francisco General Hospital Improvement Bonds, Series 2012D	6,955,000	8,098,500	15,053,500	15,054,750	(1,250)
2008 San Francisco General Hospital Improvement Bonds, Series 2014A	6,645,000	8,061,862	14,706,862	24,701,862	(9,995,000)
2010 Earthquake Safety & Emergency Response, Series 2010E	2,140,000	2,320,000	4,460,000	5,596,000	(1,136,000)
2010 Earthquake Safety & Emergency Response, Series 2012A	5,730,000	5,756,000	11,486,000	11,486,400	(400)
2010 Earthquake Safety & Emergency Response, Series 2012E	1,335,000	1,555,450	2,890,450	2,894,200	(3,750)
2010 Earthquake Safety & Emergency Response, Series 2013B	705,000	916,200	1,621,200	8,754,450	(7,133,250)
2010 Earthquake Safety & Emergency Response, Series 2014C	4,410,000	2,197,213	6,607,213	3,630,272	2,976,941
2010 Earthquake Safety & Emergency Response, Series 2014D	8,095,000	4,025,113	12,120,113	6,658,426	5,461,687
2010 Earthquake Safety & Emergency Response, Series 2015E (Estimate)	355,000	752,248	1,107,248	-	1,107,248
2010 Earthquake Safety & Emergency Response, Series 2015F (Estimate)	25,000,000	3,258,397	28,258,397	-	28,258,397
2011 Road Repaving and Street Safety S2012C	2,500,000	1,953,150	4,453,150	4,454,350	(1,200)
2011 Road Repaving and Street Safety S2013C	2,955,000	3,824,450	6,779,450	36,589,700	(29,810,250)
2011 Road Repaving and Street Safety S2015A (Estimate)	-	-	-	2,102,356	(2,102,356)
2011 Road Repaving and Street Safety S2015D (Estimate)	625,000	1,324,350	1,949,350	-	1,949,350
2011 General Obligation Bond Refunding Series 2011 R1	23,550,000	12,319,400	35,869,400	35,928,650	(59,250)
2006 General Obligation Bond Refunding, Series 2006 R1	-	-	-	10,781,250	(10,781,250)
2006 General Obligation Bond Refunding, Series 2006 R2	-	-	-	5,728,620	(5,728,620)
2008 General Obligation Bond Refunding, Series 2008 R1	13,845,000	880,600	14,725,600	14,724,850	750
2008 General Obligation Bond Refunding, Series 2008 R2	5,170,000	785,988	5,955,988	5,951,988	4,000
2008 General Obligation Bond Refunding, Series 2008 R3 (Laguna Honda)	-	-	-	5,847,138	(5,847,138)
2015 General Obligation Bond Refunding, Series 2015 R1	15,600,000	13,686,000	29,286,000	-	29,286,000
2015 Transportation & Road Improvement Series 2015B (Estimate)	20,000,000	2,043,126	22,043,126	-	22,043,126
SUB-TOTAL GENERAL CITY BEFORE NET PREMIUM & FEDERAL SUBS	\$ 185,188,046	\$ 96,888,641	\$ 282,076,687	\$ 272,669,762	\$ 9,406,925
FEDERAL SUBSIDY AVAILABLE FOR DEBT SERVICE PAYMENT					
2010 Earthquake Safety & Emergency Response Series 2012E	\$ -	\$ -	\$ -	\$ (265,024)	\$ 265,024.00
2012 Clean & Safety Neighborhood Parks Series 2013A	-	-	-	(2,747,656.00)	2,747,656.00
2010 Earthquake Safety & Emergency Response Series 2013B	-	-	-	(1,185,218.00)	1,185,218.00
2010 Earthquake Safety & Emergency Response Series 2014C	-	(2,197,213.00)	(2,197,213.00)	-	(2,197,213.00)
2011 Road Repaving & Street Safety Series 2013C	-	-	-	(4,948,138.00)	4,948,138.00
2014 Earthquake Safety & Emergency Response Series 2014D	-	(4,025,112.00)	(4,025,112.00)	-	(4,025,112.00)
2008 San Francisco General Hospital Improvement Bonds, Series 2014A	-	(4,452,160.00)	(4,452,160.00)	(8,701,862.00)	4,249,702.00
2008 San Francisco General Hospital Improvement Bonds, BAB Series 2010C	-	(3,339,342.00)	(3,339,342.00)	(3,339,342.00)	-
2008 Clean and Safe Neighborhood Parks, BAB 2010D	-	(684,846.00)	(684,846.00)	(684,846.00)	-
2015 General Obligation Bond Refunding, Series 2015 R1	-	(565,032.00)	(565,032.00)	-	(565,032.00)
2015 Transportation & Road Improvement, Series 2015B	-	(2,043,126.24)	(2,043,126.24)	-	(2,043,126.24)
Tobacco Settlement Revenue and SB1125 Reimbursement	(9,925,000)	(9,318,400.00)	(19,243,400.00)	(20,504,288.00)	1,260,888.00
TOTAL FEDERAL SUBSIDY	(9,925,000)	(26,625,231)	(36,550,231)	(42,376,374)	5,826,143
SUB-TOTAL GENERAL CITY NET OF NET PREMIUM & FEDERAL SUBS	\$ 175,263,046	\$ 70,263,410	\$ 245,526,456	\$ 230,293,388	\$ 15,233,068
OUTSIDE CITY ANNUAL BUDGET					
SAN FRANCISCO COMMUNITY COLLEGE DISTRICT (SFCCD)					
2001 Community College District, 2002 Series A	\$ 1,530,000	\$ 61,200	\$ 1,591,200	\$ 2,733,613	\$ (1,142,413)
2001 Community College District, 2004 Series B	-	-	-	8,447,106	(8,447,106)
2001 Community College District, 2006 Series C	-	-	-	3,270,838	(3,270,838)
2005 Community College District, 2006 Series A	2,930,000	146,500	3,076,500	6,263,278	(3,186,778)
2005 Community College District, 2007 Series B	-	-	-	7,961,106	(7,961,106)
2005 Community College District, 2010 Series C	1,370,000	199,613	1,569,613	1,567,213	2,400
2005 Community College District, 2010 Series D	-	1,497,300	1,497,300	1,497,300	-
2015 Community College District, Refunding Bonds	9,575,000	11,237,200	20,812,200	-	20,812,200
SUB-TOTAL SF COMMUNITY COLLEGE DISTRICT BEFORE NET BID PR	\$ 15,405,000	\$ 13,141,813	\$ 28,546,813	\$ 31,740,454	\$ (3,193,641)
SAN FRANCISCO UNIFIED SCHOOL DISTRICT (SFUSD)					
2003 Unified School District, Series C (2006)	\$ 4,355,000	\$ 2,804,894	\$ 7,159,894	\$ 7,157,144	\$ 2,750
2006 Unified School District, Series A (2007)	4,520,000	2,961,300	7,481,300	7,481,550	(250)
2006 Unified School District, Series B (2009)	9,035,000	4,735,413	13,770,413	13,771,013	(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	7,325,000	3,390,750	10,715,750	10,710,750	5,000
2011 Unified School District, 2012 Series A	4,175,000	4,606,350	8,781,350	8,785,350	(4,000)
2011 Unified School District, 2013 Series B	-	-	-	-	-
2011 Unified School District, 2014 Series B	20,750,000	9,137,263	29,887,263	9,137,263	20,750,000
2006 Unified School District, 2015 Series F (\$15 M Estimate)	280,000	485,000	765,000	-	765,000
2006 Unified School District, 2015 Series C (\$211M Estimate)	3,950,000	6,822,333	10,772,333	-	10,772,333
2012 General Obligation Refunding Bonds	7,775,000	3,928,700	11,703,700	11,714,450	(10,750)
SUB-TOTAL SF UNIFIED SCHOOL DISTRICT BEFORE NET BID PREMIUM	\$ 62,165,000	\$ 43,765,392	\$ 105,930,392	\$ 73,650,909	\$ 32,279,483
NET PREMIUM AVAILABLE FOR DEBT SERVICE PAYMENT					
2006 Unified School District, Series C (2010) QSCBs	-	\$ (702,161)	\$ (702,161)	\$ (702,161)	\$ -
2006 Unified School District, Series D (2010) BABs	-	(1,452,647)	(1,452,647)	(1,452,647)	-
2011 Unified School District, Series B (2014)	-	(1,808,592)	(1,808,592)	(9,137,263)	7,328,671
TOTAL NET BID PREMIUM	\$ -	\$ (3,963,400)	\$ (3,963,400)	\$ (11,292,071)	\$ 7,328,671
SUB-TOTAL NET OF NET PREMIUM AVAILABLE FOR DEBT SERVICE P	\$ 62,165,000	\$ 39,801,992	\$ 101,966,992	\$ 62,358,838	\$ 39,608,154
BAY AREA RAPID TRANSIT DISTRICT (BART)					
2004 BART Earthquake Safety Bonds Series A (2005)	\$ 359,700	\$ 547,379	\$ 907,079	\$ 906,700	\$ 379
2004 BART Earthquake Safety Bonds Series B (2007)	1,093,950	5,937,084	7,031,034	6,843,132	187,902
2004 BART Earthquake Safety Bonds Series A (2013)	-	3,439,821	3,439,821	3,439,821	-
SUB-TOTAL BAY AREA RAPID TRANSIT DISTRICT	\$ 1,453,650	\$ 9,924,284	\$ 11,377,934	\$ 11,189,653	\$ 188,281
SUB-TOTAL SFCCD, SFUSD AND BART	\$ 79,023,650	\$ 62,868,089	\$ 141,891,739	\$ 105,288,945	\$ 36,602,794
TOTAL GENERAL OBLIGATIONS - GENERAL CITY, SFCCD, SFUSD AND BART					
	\$ 254,286,696	\$ 133,131,499	\$ 387,418,195	\$ 335,582,333	\$ 51,835,862

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 2014-2015 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 2014-2015</u>				
Assessed Value FY 2014-15	\$500,000			
Less Homeowners' Exemption	<u>7,000</u>			
	<u>\$493,000</u>	\$1.1743	\$5,789.30	
<u>FY 2015-2016</u>				
Prior Year Assessed Value	\$500,000			
Add 1.998% Consumer Price Index (CPI) Increase	<u>9,990</u>			
Assessed Value FY 2015-16	\$509,990			
Less Homeowners' Exemption	<u>7,000</u>			
	<u>\$502,990</u>	<u>\$1.1875</u>	<u>\$5,973.00</u>	
Increase / (Decrease)		<u>\$0.0132</u>	<u>\$ 183.70</u>	3.17%