

File No. 150815

Committee Item No. 7

Board Item No. 9

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Committee

Date September 9, 2015

Board of Supervisors Meeting

Date 9/15/15

Cmte Board

- | | | |
|-------------------------------------|-------------------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input type="checkbox"/> | <input type="checkbox"/> | Resolution |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Ordinance |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Legislative Digest |
| <input type="checkbox"/> | <input 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 |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input 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 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"/>	
<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 September 4, 2015
Completed by: Linda Wong Date 9/10/15

AMENDED IN COMMITTEE

9/9/15

FILE NO. 150815

ORDINANCE NO.
RO #16001

1 [Setting Property Tax Rate and Establishing Pass-Through Rate for Residential Tenants -
2 FY2015-2016]

3 Ordinance levying property taxes at a combined rate of ~~\$1.1826~~ ~~\$4.1875~~ on each \$100
4 valuation of taxable property for the City and County of San Francisco, San Francisco
5 Unified School District, San Francisco Community College District, Bay Area Rapid
6 Transit District, and Bay Area Air Quality Management District and establishing a pass-
7 through rate of \$0.0920 per \$100 of assessed value for residential tenants pursuant to
8 Administrative Code, Chapter 37, for the fiscal year ending June 30, 2016.

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

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

17 **Section 1.** Pursuant to the laws of the State of California, a tax is hereby levied for the
18 fiscal year ending June 30, 2016, on all property, real and personal, in the City and County of
19 San Francisco, except such property as is by law exempt from taxation, in the sum of
20 \$1.01362237 on each \$100 valuation of said taxable property as the same appears upon the
21 secured assessment roll of the City and County for the fiscal year. The tax shall be
22 apportioned to the General Fund, the General Obligation Bond Fund, and the County
23 Superintendent of Schools, and according to the provisions of Sections 16.106, 16.107,
24 16.108, and 16.109 of the Charter as follows:

25 For the General Fund, the rate of \$ 0.81668319 ⁽¹⁾

1	For the Library Preservation Fund, the rate of	0.02500000
2	For the San Francisco Children's Fund, the rate of	0.03250000
3	For the Open Space Acquisition Fund, the rate of	0.02500000
4	For the County Superintendent of Schools, the rate of	0.00097335
5	For the General Obligation Bond Fund, the rate of	<u>0.11346583</u>
6	TOTAL City and County of San Francisco	\$1.01362237

7

8 (1) Includes an estimated \$0.25330113 for the State-mandated tax shift to the Educational
9 Revenue Augmentation Fund.

10

11 **Section 2.** Pursuant to the laws of the State of California, a tax is hereby levied for San
12 Francisco Unified School District purposes for the fiscal year ending June 30, 2016 on all
13 property, real and personal in the City and County of San Francisco, except such property as
14 is by law exempt from taxation, in the sum of \$0.12945504 on each \$100 valuation of said
15 taxable property as the same appears upon the secured assessment roll of the City and
16 County for the fiscal year. The tax shall be apportioned as follows:

17	For General Operations, the rate of	\$0.07698857
18	For General Obligation Bond Debt Service, the rate of	<u>\$0.05246647</u>
19	TOTAL San Francisco Unified School District	\$0.12945504

20

21 **Section 3.** Pursuant to the laws of the State of California, a tax is hereby levied for San
22 Francisco Community College District purposes for the fiscal year ending June 30, 2016 on all
23 property, real and personal in the City and County of San Francisco, except such property as
24 is by law exempt from taxation, in the sum of \$0.02851705 on each \$100 valuation of said
25

1 taxable property as the same appears upon the secured assessment roll of the City and
2 County for the fiscal year. The tax shall be apportioned as follows:

3	For General Operations, the rate of	\$0.01444422
4	For General Obligation Bond Debt Service, the rate of	<u>\$0.01407283</u>
5	TOTAL San Francisco Community College District	\$0.02851705

6
7 **Section 4.** Pursuant to the laws of the State of California, a tax is hereby levied for Bay
8 Area Rapid Transit District purposes for the fiscal year ending June 30, 2016 on all property,
9 real and personal in the City and County of San Francisco, except such property as is by law
10 exempt from taxation, in the sum of \$0.00892528 ~~\$0.01382528~~ on each \$100 valuation of
11 said taxable property as the same appears upon the secured assessment roll of the City and
12 County for the fiscal year. The tax shall be apportioned as follows:

13	For General Operations, the rate of	\$0.00632528
14	For General Obligation Bond Debt Service, the rate of	\$0.00750000
15		<u>\$0.00260000</u>
16	TOTAL Bay Area Rapid Transit District	\$0.01382528
17		<u>\$0.00892528</u>

18 **Section 5.** Pursuant to the laws of the State of California, a tax is hereby levied for Bay
19 Area Air Quality Management District purposes for fiscal year ending June 30, 2016 on all
20 property, real and personal in the City and County of San Francisco, except such property as
21 is by law exempt from taxation, in the sum of \$0.00208539 on each \$100 valuation of said
22 taxable property as the same appears upon the secured assessment roll of the City and
23 County for the fiscal year. The tax shall be apportioned as follows:

24	For General Operations, the rate of	<u>\$0.00208539</u>
25	TOTAL Bay Area Air Quality Management District	\$0.00208539

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

Section 6. The combined property tax rate for the City and County of San Francisco, San Francisco Unified School District, San Francisco Community College District, Bay Area Rapid Transit District, and Bay Area Air Quality Management District, as set forth above, shall therefore be \$1.1826 ~~\$1.1875~~ on each \$100 valuation of said taxable property.

Section 7. Pursuant to Chapter 37.3(a)(6)(A), (B) and (C) of the San Francisco Administrative Code, the Board of Supervisors hereby determines that, based on the combined property tax rate provided in Section 6, the property tax pass-through rate for residential tenants for the fiscal year ending June 30, 2016, shall be \$0.0920 per \$100 of assessed value. The pass-through rate is based on three factors: (1) 100% of the change in the landlord's property tax resulting from repayment of the City's general obligation bonds approved by voters between November 1, 1996 and November 30, 1998; (2) 50% of the change in the landlord's property tax resulting from repayment of the City's general obligation bonds approved by voters after November 14, 2002; and (3) 50% of the change in the landlord's property tax resulting from repayment of the San Francisco Unified School District or San Francisco Community College District's general obligation bonds approved by voters after November 1, 2006, payable during the fiscal year ending June 30, 2016.

/ / /
/ / /
/ / /
/ / /
/ / /
/ / /

1 **Section 8.** The rate for the City and County of San Francisco General Obligation Bond
2 Fund includes a collection fee of 0.25% of the fund collected for the purpose of General
3 Obligation Bond debt service. An amount sufficient to pay this fee is hereby appropriated
4 within the General Obligation Bond Fund and the Controller is hereby authorized to pay this
5 fee into the General Fund from the General Obligation Bond Fund.
6

7 Prepared By:

Approved As to Form:

8
9 Dennis J. Herrera, City Attorney

10 BY: 
11 Deputy City Attorney

12
13
14
15
16
17
18
19
20
21
22
23
24
25

Controller

LEGISLATIVE DIGEST

[Setting San Francisco's Property Tax Rate and Establishing Pass-Through Rate for Residential Tenants – FY2015-2016]

Ordinance providing revenue and levying property taxes at a combined rate of \$1.1826 on each \$100.00 valuation of taxable property for the City and County of San Francisco, San Francisco Unified School District, San Francisco Community College District, Bay Area Rapid Transit District, and Bay Area Air Quality Management District, and establishing pass-through rate of \$0.0920 per \$100.00 of assessed value for residential tenants pursuant to Chapter 37 of the Administrative Code for the fiscal year ending June 30, 2016.

Existing Law

San Francisco's combined property tax rate and pass-through rate for residential tenants is adopted annually. Article XIII A of the California Constitution and Sections 93 and 100 of the California Revenue and Taxation Code fix the base property tax rate at \$1.0000 on each \$100 valuation of taxable property. The portion of the property tax rate above the fixed amount varies each year based on the anticipated debt service requirements related to voter-approved general obligation bonds.

The Board of Supervisors adopted and the Mayor approved Ordinance Number 200-14 for Fiscal Year 2014-2015. That Ordinance established the 2014-2015 fiscal year's combined property tax rate of \$1.1743 on each \$100 valuation of taxable property within the City and County of San Francisco. Ordinance Number 200-14 also established the property tax pass-through rate of residential tenants of \$0.0880 per \$100 of assessed value based upon the criteria defined in Chapter 37.3(a)(6)(A) and (B) and (C) of the San Francisco Administrative Code.

Amendments to Current Law

This legislation would update the combined property tax rate to \$1.1826 on each \$100 valuation of taxable property within the City and County of San Francisco to reflect the change in anticipated debt service requirements, including a 0.25% administrative allowance to reimburse costs of collection, for Fiscal Year 2015-2016. The legislation also updates the property tax pass-through rate of residential tenants to \$0.0920 per \$100 of assessed value.

Background Information

California Government Code Section 29100 requires the Board of Supervisors to adopt the composite property tax rate for the City and County of San Francisco, San Francisco Unified School District, San Francisco Community College District, Bay Area Rapid Transit District, and Bay Area Air Quality Management District for the fiscal year on or before October 3 of each year. Section 3.3 of the City and County of San Francisco's Administrative Code requires the property tax rate be adopted by the last working day of September. This legislation fulfills both of those requirements.

Item 7
File 15-0815

Department:
Controller's Office (Controller)

EXECUTIVE SUMMARY

Legislative Objectives

- The proposed ordinance would establish property tax rates in fiscal year (FY) 2015-16 to provide revenues for (a) the City and County of San Francisco, including the rate that is passed on to residential tenants pursuant to Administrative Code Chapter 37, (b) the San Francisco Unified School District, (c) the San Francisco Community College District, (d) the Bay Area Rapid Transit District, and (e) the Bay Area Air Quality Management District.

Key Points

- The FY 2015-16 proposed total combined property tax rate of \$1.1826 per \$100 of assessed property value is an increase of \$0.0083 or 0.71 percent from the existing FY 2014-15 property tax rate of \$1.1743.
- In accordance with California Constitution Article 13A Section 2, individual property assessments increase only by a State authorized inflation factor, unless the property is sold, transferred, or improved. For FY 2015-16, the State has authorized a 1.998 percent allowable inflation factor. Therefore, a single-family home with an assessed value of \$700,000 in FY 2014-15 would have an assessed value of \$713,986 in FY 2015-16.
- For a single-family residence with an assessed value of \$700,000 in FY 2014-15, the proposed FY 2015-16 total combined property tax rates would result in a \$222.92 increase in property taxes, from \$8,137.90 in FY 2014-15 to \$8,360.82 in FY 2015-16. The increased property taxes reflect (a) the increased property tax rate, (b) the 1.998 percent allowable increase in assessed value, and (c) the \$7,000 homeowner's exemption.
- The proposed FY 2015-16 property tax pass-through rate of \$0.0920 per \$100 of assessed value for residential tenants is increased from the FY 2014-15 rate of \$0.0880 per \$100 of assessed value. Under the proposed property tax pass-through rate, tenants in a home worth \$713,986 after the 1.998 percent inflation allowance could pay \$40.87 more.

Recommendation

- Approve the proposed ordinance.

MANDATE STATEMENT AND BACKGROUND

Mandate Statement

California Revenue and Taxation Code Section 2151 requires the Board of Supervisors to “fix the rates of county and district taxes” and to collect the taxes for the City, County, and State.

San Francisco Administrative Code Section 3.3(h) requires the Board of Supervisors to adopt the property tax rate for the City and County of San Francisco before the last working day in September.

City Charter Section 16.107-109 requires that portions of the City’s annual property tax levy be set aside for specific uses including: \$0.0250 for the Library Preservation Fund; \$0.0325 for the Children’s Fund; and \$0.0250 for the Open Space Acquisition Fund.

San Francisco Administrative Code Section 37.3(a)(6)(A-D), the Residential Rent Stabilization and Arbitration Ordinance, allows landlords to pass through to tenants one-half of property tax increases that result from voter-approved General Obligation bonds.

Background

The Board of Supervisors annually sets the combined property tax rate that provides revenues for: (1) general operations, (2) specific Charter-required activities such as acquiring open space or constructing, maintaining, and operating the public library; and (3) paying debt service on voter-approved General Obligation bonds that were issued by the City, the San Francisco Unified School District, the San Francisco Community College District, and the Bay Area Rapid Transit District.

Under the California Revenue and Taxation Code, the base property tax rate that the City can levy on property owners is one percent and can be used for general purposes. Any amount over the base one percent is used to pay for debt service on voter-approved General Obligation bonds.

DETAILS OF THE PROPOSED LEGISLATION

The proposed ordinance sets the property tax rate for FY 2015-16 for taxing entities¹ within the City and County of San Francisco including (a) the City and County of San Francisco (CCSF); (b) the San Francisco Unified School District (SFUSD); (c) the San Francisco Community College District (SFCCD); (d) the Bay Area Rapid Transit District (BART); and the Bay Area Air Quality Management District (BAAQMD).

The proposed ordinance also would set the property tax pass-through rate that landlords can pass-through to tenants in FY 2015-16, as allowed under the City Administrative Code. The pass through to tenants may only be imposed on a tenant’s anniversary date and shall not become

¹ Taxing entities are agencies or organizations located within the City and County of San Francisco that have taxing authority but may not be part of the City government. The \$0.8167 General City Operations factor includes \$0.2533 to be shifted to the Educational Revenue Augmentation Fund for the benefit of San Francisco Unified School District, the County Office of Education, and the San Francisco Community College District.

part of a tenant's base rent. The allowable tenant pass-through rate is based on the portion of the landlord's property tax liability that comes from General Obligation bond debt service for certain periods, as shown in Table 1 below.

Table 1: Percent of Property Tax Increases Payable by Tenants to Landlords

Taxing Entity	Timeframe	Pass-Through Rate
City and County of San Francisco	November 1, 1996 – November 14, 1998	100%
City and County of San Francisco	November 30, 2002 – Present	50%
San Francisco Unified School District San Francisco Community College District	November 1, 2006 – Present	50%

The Controller will submit a revised ordinance to the September 9, 2015 Budget and Finance Committee. This report is based on the revised ordinance.

FISCAL IMPACTS

Combined Property Tax Rate

The proposed ordinance would set the combined property tax rate (comprised of the property tax rates levied for all of the taxing jurisdictions within the city) for FY 2015-16 at \$1.1826 per \$100 of assessed value. The FY 2015-16 property tax rate of \$1.1826 is \$0.0083, or 0.71 percent, more than the FY 2014-15 property tax rate of \$1.1743 per \$100 of assessed value. Table 2 below shows the proposed property tax rates for all taxing jurisdictions within the city, as calculated by the Controller.

Table 2: Current and Proposed Property Tax Rates per \$100 of Assessed Value*

	FY 2014-15	FY 2015-16 Proposed	Increase (Decrease)
General Fund	\$0.8192	\$0.8167	\$(0.0025)
Library Preservation Fund	0.0250	0.0250	0.0000
Children's Fund	0.0300	0.0325	0.0025
Open Space Acquisition Fund	0.0250	0.0250	0.0000
County Superintendent of School	0.0010	0.0010	(0.0000)
General Obligation Bond Fund	0.1195	0.1135	(0.0060)
CCSF Subtotal	1.0196	1.0136	(0.0060)
General Operations	0.0770	0.0770	(0.0000)
General Obligation Bond Debt Service	0.0333	0.0525	0.0192
SFUSD Subtotal	0.1103	0.1295	0.0192
General Operations	0.0144	0.0144	0.0000
General Obligation Bond Debt Service	0.0171	0.0141	(0.0030)
SFCCD Subtotal	0.0315	0.0285	(0.0030)
General Operations	0.0063	0.0063	0.0000
General Obligation Bond Debt Service	0.0045	0.0026	(0.0019)
BART Subtotal	0.0108	0.0089	(0.0019)
Bay Area Air Quality Management District Operations	0.0021	0.0021	(0.0000)
Total Property Tax Rate	\$1.1743	\$1.1826	\$0.0083

* Totals may not add due to rounding.

The proposed combined property tax rate shown in Table 2 above includes a 0.25 percent administrative allowance charged on the City's voter-approved General Obligation bonds to reimburse the City for the costs of collecting property taxes. This 0.25 percent administrative allowance is charged to the total property tax collection, rather than to the assessed value.

Allowable Tenant Pass-Through Property Tax Rate

The proposed ordinance also would set the allowable property tax rate that landlords can pass through to tenants at \$0.0920 per \$100 of assessed value in FY 2015-16. The allowable tenant pass-through rate is \$0.0040 higher than the rate of \$0.0880 from FY 2014-15.

Impacts of the Combined Property Tax Rate and Allowable Pass-Through

Under Proposition 13, the City may annually increase the assessed value of a property by a State-determined inflation factor of up to 2.000 percent. For FY 2015-16, the State Board of Equalization determined that the allowable inflation factor is 1.998 percent. Therefore, a single-family residence in San Francisco with an assessed value of \$700,000 in FY 2014-15 has an assessed value of \$713,986 in FY 2015-16.²

² The State calculates the allowable inflation factor based on the California Consumer Price Index (CCPI) using a weighted equation that combines the metropolitan areas of San Francisco, Los Angeles, San Diego, and the national average.

Table 3 below shows the impact of the proposed property taxes payable by owners and tenants. As shown in Table 3 below, the proposed FY 2015-16 property tax rate of \$1.1826 would increase property taxes by \$222.92 on a single-family residence that has an assessed value of \$713,986 in FY 2015-16.

Table 3: Impact on Property Tax Payments

	Single Family Residence	Allowable Tenant Pass-Through
Fiscal Year 2014-15		
Assessed Value	\$700,000	\$700,000
Less Homeowners Exemption	(7,000)	0
Total Taxable Assessed Value	693,000	700,000
Tax Rate per \$100 of Assessed Value	1.1743	0.0880
Property Taxes Payable in 2014-15	\$8,137.90	\$616.00
Proposed Fiscal Year 2015-16		
Prior Year Assessed Value	\$700,000	\$700,000
Plus Cost of Living Increase (1.998 percent)	13,986	13,986
Subtotal	713,986	713,986
Less Homeowners Exemption	(7,000)	0
Total Taxable Assessed Value	706,986	713,986
Tax Rate per \$100 of assessed value	1.1826	0.0920
Property Taxes Payable in FY 2015-16	\$8,360.82	\$656.87
Total Increase / (Decrease) in Property Taxes Payable in FY 2015-16 as Compared to FY 2014-15 for a Single-Family Residence with a Prior Year Assessed Value of \$700,000	\$222.92	\$40.87

RECOMMENDATION

Approve the proposed ordinance.



Ben Rosenfield
Controller
Todd Rydstrom
Deputy Controller

July 28, 2015

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 2015-16 Property Tax Rate Ordinance

Dear Ms. Calvillo:

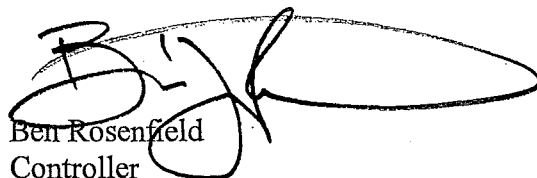
I am submitting an ordinance for consideration to amend the tax levy for FY 2015-16. This ordinance includes the following:

- 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. I hereby request these items be scheduled for the Budget & Finance Committee meeting no later than September 9, 2015 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: Linda Wong, Budget & Finance Committee Clerk



Ben Rosen
Conti
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:

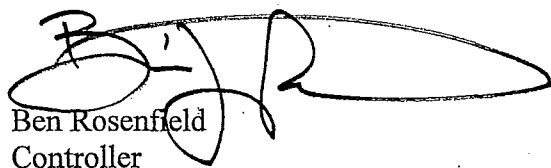
	<u>Tax Rate Ordinance</u>	<u>Estimated State Shift</u>	<u>Effect After State Shift</u>
San Francisco Community College District (includes 0.01407283 debt service)	\$0.02851705	0.0400	\$0.06851705
San Francisco Unified School District (includes 0.05246647 debt service)	0.12945504	0.2133	0.34275504
CCSF - 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	5,586,000	(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	\$ 272,689,762	\$ 9,406,925
FEDERAL SUBSIDY AVAILABLE FOR DEBT SERVICE PAYMENT					
2010 Earthquake Safety & Emergency Response Series 2012E	\$ -	\$ -	\$ -	\$ (265,024)	\$ 265,024.00
2012 Clean & Safe 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)	5,825,143
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	\$ 62,668,089	\$ 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%

OFFICE OF THE MAYOR
SAN FRANCISCO



EDWIN M. LEE
MAYOR

TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: *for* Mayor Edwin M. Lee *JE*
RE: Setting Property Tax Rate and Establishing Pass-Through Rate for
Residential Tenants - FY2015-2016
DATE: July 28, 2015

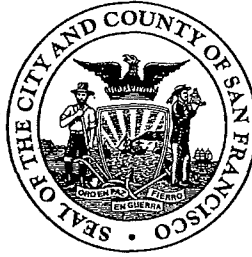
Attached for introduction to the Board of Supervisors is an ordinance levying property taxes at a combined rate of \$1.1875 on each \$100 valuation of taxable property for the City and County of San Francisco, San Francisco Unified School District, San Francisco Community College District, Bay Area Rapid Transit District, and Bay Area Air Quality Management District and establishing a pass-through rate of \$0.0920 per \$100 of assessed value for residential tenants pursuant to Administrative Code, Chapter 37, for the fiscal year ending June 30, 2016.

I respectfully request that this item be calendared in ~~Budget & Finance~~ Committee on September 9th, 2015.

Should you have any questions, please contact Nicole Elliott (415) 554-7940.

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
2015 JUL 28 PM 3:43
AK

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Rm 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

MEMORANDUM

TO: Richard Carranza, Superintendent,
San Francisco Unified School District
Mark J. Zacovic, Vice Chancellor of Finance & Administration,
San Francisco Community College District
Scott Schroeder, Controller-Treasurer,
Bay Area Rapid Transit District
Jeffrey McKay, Air Pollution Control Officer,
Bay Area Air Quality Management District

FROM: Derek Evans, Assistant Clerk, Board of Supervisors

DATE: August 3, 2015

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors Budget and Finance Committee has received the following legislation, introduced by Mayor Edwin Lee on July 28, 2015, which is being referred to your department.

File No. 150815

Ordinance levying property taxes at a combined rate of \$1.1875 on each \$100 valuation of taxable property for the City and County of San Francisco, San Francisco Unified School District, San Francisco Community College District, Bay Area Rapid Transit District, and Bay Area Air Quality Management District and establishing a pass-through rate of \$0.0920 per \$100 of assessed value for residential tenants pursuant to Administrative Code, Chapter 37, for fiscal year ending June 30, 2016.

If you wish to submit any comments or reports, please forward those to the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

cc: Chris Armentrout, San Francisco Unified School District
Jamila Brooks, San Francisco Unified School District
Esther Casco, San Francisco Unified School District
Linda Wong, Office of the Clerk of the Board of Supervisors