

OFFICE OF THE CONTROLLER
CITY AND COUNTY OF SAN FRANCISCO

Ben Rosenfield
Controller
Todd Rydstrom
Deputy Controller

July 31, 2018

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 2018-19 Property Tax Rate Ordinance**

Dear Ms. Calvillo:


I am submitting an ordinance for consideration to amend the tax levy for FY 2018-19. 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

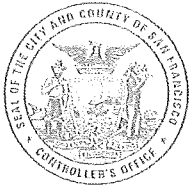
Section 3.3 of the Administrative Code requires the property tax rate be adopted by the last working day of September. I hereby request these items be scheduled for the Budget & Finance Committee meeting no later than September 6, 2018 to satisfy this requirement.

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



OFFICE OF THE CONTROLLER
CITY AND COUNTY OF SAN FRANCISCO

Ben Rosenfield
Controller

Todd Rydstrom
Deputy Controller

July 31, 2018

The Honorable London Breed
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 2018-2019 which the City and County of San Francisco administers. The San Francisco 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 2018-2019 is projected to be \$1.1630 for each \$100 of assessed value, a decrease of \$0.0093 or 0.79 percent from the \$1.1723 rate established for fiscal year 2017-2018. Based on a \$1.1630 rate, the ad valorem tax bill for a single home previously assessed at the City's median taxable value for homes of \$520,000 in fiscal year 2017-2018 will go from \$6,013.90 last fiscal year to \$6,087.14 in fiscal year 2018-2019 (considering inflation adjusted assessed value of \$530,400). The respective tax rates by accruing entity are as follows:

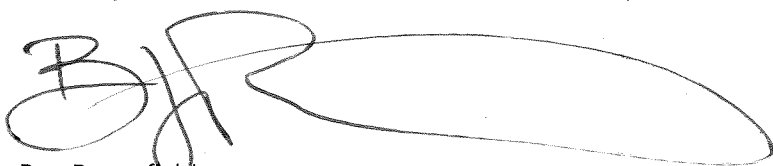
	<u>Tax Rate</u> <u>Ordinance</u>	<u>Estimated</u> <u>State Shift</u>	<u>Effect After</u> <u>State Shift</u>
San Francisco Community College District (includes 0.00982024 debt service)	\$0.02426446	0.0400	\$0.06426446
San Francisco Unified School District (includes 0.03869354 debt service)	0.11568211	0.2133	0.32898211
CCSF - General Fund	0.80918319	(0.2533)	0.55588319
CCSF - Library Preservation Fund	0.02500000		0.02500000
CCSF - Children's Fund	0.04000000		0.04000000
CCSF - Open Space Acquisition Fund	0.02500000		0.02500000
CCSF - Bond Interest and Redemption Fund	0.10748997		0.10748997
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	\$1.15600375		\$1.15600375
BART Debt Service (Estimate)	<u>0.00700000</u>		<u>0.00700000</u>
Total Combined Tax Rate	<u>\$1.16300375</u>		<u>\$1.16300375</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 1996-1997. Attachment B provides the anticipated fiscal year 2018-2019 general obligation bond debt service schedule (principal and interest) relevant to the property tax rate calculations.

For fiscal year 2018-2019, the pass-through rate for residential tenants is \$0.0675 per \$100 of assessed value, or 6.75 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 increase only when property is sold, transferred, or otherwise improved. For fiscal year 2018-2019, the consumer price index adjustment authorized by the State is 2.00%. The median assessed valuation for a single residential parcel in fiscal year 2017-2018 in San Francisco was about \$520,000. As shown in Attachment C, the combination of a tax rate of \$1.1630 for each \$100 of assessed value and the 2.000% consumer price index adjustment that increases the assessed value of the example residence from \$520,000 in fiscal year 2017-2018 to \$530,400 in fiscal year 2018-2019 results in a \$73.24 ad valorem property tax increase.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read 'BR', followed by a long horizontal flourish.

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>
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	0.0691	1.1826	0.71%
2016 - 2017	1.0000	0.1189	0.0603	1.1792	-0.29%
2017 - 2018	1.0000	0.1074	0.0649	1.1723	-0.59%
2018 - 2019	1.0000	0.1075	0.0555	1.1630	-0.79%

Attachment B

CITY AND COUNTY OF SAN FRANCISCO Debt Service Requirements - General Obligation Bonds Comparative Statement - Fiscal Year 2018-2019 and 2017-2018

<u>Bond Description</u>	FY 2018-2019 Principal	FY 2018-2019 Interest	FY 2018-2019 Total	FY 2017-2018 Total	INCREASE/ (DECREASE)
GENERAL CITY					
1992 UMB Program - Seismic Safety, Series 2007A (1st to 7th draw)	\$ 1,435,545	\$ 975,208	\$ 2,410,753	\$ 2,410,754	\$ (1)
1992 UMB Program - Seismic Safety, Series 2015A (Estimated variable interest)	450,000	240,000	690,000	260,000	430,000
2008 Clean and Safe Neighborhood Parks, Series 2010B	2,610,000	123,975	2,733,975	2,734,375	(400)
2008 Clean and Safe Neighborhood Parks, BAB Series 2010D	-	1,956,703	1,956,703	1,956,703	-
2008 Clean and Safe Neighborhood Parks, Series 2012B	2,750,000	1,603,026	4,353,026	4,348,626	4,400
2008 Clean and Safe Neighborhood Parks, Series 2016A	325,000	253,000	578,000	573,250	4,750
2012 Clean and Safe Neighborhood Parks, Series 2013A	1,900,000	1,866,250	3,766,250	3,766,750	(500)
2012 Clean and Safe Neighborhood Parks, Series 2016B	1,045,000	820,650	1,865,650	1,865,400	250
2012 Clean and Safe Neighborhood Parks, Series 2017C (Estimate) \$80M	-	-	-	27,181,473	(27,181,473)
2008 San Francisco General Hospital Improvement Bonds, Series 2009A	5,525,000	290,063	5,815,063	5,818,313	(3,250)
2008 San Francisco General Hospital Improvement Bonds, Series 2010A	12,735,000	604,913	13,339,913	13,339,713	200
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	8,055,000	7,002,000	15,057,000	15,055,500	1,500
2008 San Francisco General Hospital Improvement Bonds, Series 2014A	7,695,000	7,014,363	14,709,363	14,705,613	3,750
2010 Earthquake Safety & Emergency Response, Series 2010E	2,480,000	1,982,500	4,462,500	4,460,500	2,000
2010 Earthquake Safety & Emergency Response, Series 2012A	6,635,000	4,852,500	11,487,500	11,488,500	(1,000)
2010 Earthquake Safety & Emergency Response, Series 2012E	1,545,000	1,344,700	2,889,700	2,893,450	(3,750)
2010 Earthquake Safety & Emergency Response, Series 2013B	820,000	804,700	1,624,700	1,623,700	1,000
2010 Earthquake Safety & Emergency Response, Series 2014C	1,830,000	1,771,563	3,601,563	3,598,563	3,000
2010 Earthquake Safety & Emergency Response, Series 2016C	935,000	788,325	1,723,325	1,722,825	500
2014 Earthquake Safety & Emergency Response, Series 2014D	3,345,000	3,244,313	6,589,313	6,593,813	(4,500)
2014 Earthquake Safety & Emergency Response, Series 2016D	3,160,000	2,659,263	5,819,263	5,819,763	(500)
2011 Road Repaving and Street Safety, Series 2012C	2,815,000	1,640,950	4,455,950	4,454,150	1,800
2011 Road Repaving and Street Safety, Series 2013C	3,420,000	3,358,450	6,778,450	6,781,450	(3,000)
2011 Road Repaving and Street Safety, Series 2016E	1,640,000	1,379,650	3,019,650	3,017,650	2,000
2014 Transportation & Road Improvements, Series 2015B	1,795,000	1,655,131	3,450,131	3,450,631	(500)
2014 Transportation & Road Improvements, Series 2018A (Estimate) \$117M	-	-	-	41,464,707	(41,464,707)
2014 Earthquake Safety & Emergency Response, Series 2017B (Estimate) \$190M	-	-	-	45,660,428	(45,660,428)
2015 Affordable Housing, Series 2016F	2,310,000	1,327,480	3,637,480	3,637,780	(300)
2016 Public Health and Safety, Series 2017A	4,525,000	4,996,300	9,521,300	9,521,800	(500)
2008 General Obligation Bond Refunding, Series 2008 R1	1,630,000	204,400	1,834,400	1,832,000	2,400
2008 General Obligation Bond Refunding, Series 2008 R2	-	-	-	5,949,800	(5,949,800)
2011 General Obligation Bond Refunding, Series 2011 R1	27,120,000	8,613,900	35,733,900	35,766,900	(33,000)
2015 General Obligation Bond Refunding, Series 2015 R1	13,725,000	11,761,500	25,486,500	25,474,500	12,000
2012 Clean and Safe Neighborhood Parks, Series 2018A	1,630,000	1,744,213	3,374,213	3,374,213	-
2014 Transportation & Road Improvements Series 2018B	3,705,000	3,966,588	7,671,588	7,671,588	-
2014 Earthquake Safety & Emergency Response Series 2018C	52,165,000	8,385,855	60,550,855	60,550,855	-
2015 Affordable Housing Series 2018D	40,075,000	5,324,329	45,399,329	45,399,329	-
2016 Public Health and Safety, Series 2018E	13,585,000	2,166,192	15,751,192	15,751,192	-
1992 UMB Program - Seismic Safety, Series 2018F (estimate) \$35M	640,000	510,417	1,150,417	1,150,417	-
SUB-TOTAL GENERAL CITY BEFORE NET PREMIUM & SUBSIDIES	\$ 236,055,545	\$ 106,774,347	\$ 342,829,892	\$ 328,770,357	\$ 14,059,535
FEDERAL SUBSIDY, NET BID PREMIUM, SB 1128 REIMBURSEMENT, and TOBACCO SETTLEMENT REVENUE AVAILABLE FOR DEBT SERVICE PAYMENT					
2010 Earthquake Safety & Emergency Response, Series 2016C	-	-	-	(816,832)	816,832
2011 Road Repaving & Street Safety, Series 2016E	-	-	-	(1,428,159)	1,428,159
2014 Earthquake Safety & Emergency Response, Series 2016D	-	-	-	(2,738,714)	2,738,714
2008 San Francisco General Hospital Improvement Bonds, BAB Series 2010C	-	(3,108,927)	(3,108,927)	(3,108,927)	-
2008 Clean and Safe Neighborhood Parks, BAB 2010D	-	(637,591)	(637,591)	(637,591)	-
2008 Clean and Safe Neighborhood Parks, Series 2016A	-	-	-	(164,965)	164,965
2012 Clean and Safe Neighborhood Parks, Series 2016B	-	-	-	(524,305)	524,305
2016 Public Health and Safety Series 2017A	-	(4,316,161)	(4,316,161)	(5,211,800)	895,639
2012 Clean and Safe Neighborhood Parks, Series 2018A	-	(1,321,778)	(1,321,778)	(1,321,778)	-
2014 Transportation & Road Improvements Series 2018B	-	(3,005,486)	(3,005,486)	(3,005,486)	-
2014 Earthquake Safety & Emergency Response Series 2018C	-	(8,385,855)	(8,385,855)	(8,385,855)	-
2015 Affordable Housing Series 2018D	-	(985,799)	(985,799)	(985,799)	-
2016 Public Health and Safety, Series 2018E	-	(1,826,379)	(1,826,379)	(1,826,379)	-
SB 1128 Reimbursement	-	(636,703)	(636,703)	(3,836,248)	3,199,545
Tobacco Settlement Revenue Reimbursement	(11,350,000)	(7,124,197)	(18,474,197)	(15,311,902)	(3,162,295)
TOTAL FEDERAL SUBSIDY	(11,350,000)	(31,348,876)	(42,698,876)	(33,779,443)	(8,919,433)
SUB-TOTAL GENERAL CITY NET OF NET PREMIUM & FEDERAL SUBSIDIES	\$ 224,705,545	\$ 75,425,471	\$ 300,131,016	\$ 294,990,914	\$ 5,140,102
OUTSIDE CITY ANNUAL BUDGET					
SAN FRANCISCO COMMUNITY COLLEGE DISTRICT (SFCCD)					
2005 Community College District, 2010 Series D	\$ -	\$ 1,497,300	\$ 1,497,300	\$ 1,497,300	\$ -
2005 Community College District, 2010 Series C	\$ 1,525,000	\$ 43,463	\$ 1,568,463	\$ -	\$ 1,568,463
2015 Community College District, Refunding Bonds	15,020,000	9,841,200	24,861,200	24,922,450	(61,250)
SUB-TOTAL SAN FRANCISCO COMMUNITY COLLEGE DISTRICT	\$ 16,545,000	\$ 11,381,963	\$ 27,926,963	\$ 26,419,750	\$ 1,507,213
SAN FRANCISCO UNIFIED SCHOOL DISTRICT (SFUSD)					
2006 Unified School District, 2007 Series A	\$ -	\$ 834,600	\$ 834,600	\$ 834,600	\$ -
2006 Unified School District, 2009 Series B	10,345,000	490,750	10,835,750	10,833,550	2,200
2006 Unified School District, 2010 Series C (QSCB)	-	742,969	742,969	742,969	-
2006 Unified School District, 2010 Series D (BAB)	-	4,150,420	4,150,420	4,150,420	-
2006 Unified School District, 2010 Series E	8,395,000	2,319,250	10,714,250	10,715,500	(1,250)
2006 Unified School District, 2015 Series F	555,000	563,513	1,118,513	1,114,763	3,750
2011 Unified School District, 2012 Series A	4,835,000	3,948,100	8,783,100	8,783,350	(250)
2011 Unified School District, 2014 Series B	8,060,000	7,350,513	15,410,513	15,409,263	1,250
2011 Unified School District, 2015 Series C	7,780,000	7,921,563	15,701,563	15,702,063	(500)
2016 Unified School District, 2012 Series A	13,510,000	6,091,263	19,601,263	26,035,858	(6,434,595)
2015 General Obligation Refunding Bonds	7,645,000	2,432,550	10,077,550	10,076,550	1,000
2012 General Obligation Refunding Bonds	9,005,000	2,702,450	11,707,450	11,711,450	(4,000)
2017 General Obligation Refunding Bonds	-	2,647,250	2,647,250	2,647,250	-
SUB-TOTAL SF UNIFIED SCHOOL DISTRICT BEFORE NET BID PREMIUM	\$ 70,130,000	\$ 42,195,191	\$ 112,325,191	\$ 118,757,586	\$ (6,432,395)
NET PREMIUM AVAILABLE FOR DEBT SERVICE PAYMENT					
2006 Unified School District, 2010 Series C (QSCB)	-	(653,712)	(653,712)	(653,712)	-
2006 Unified School District, 2010 Series D (BAB)	-	(1,352,414)	(1,352,414)	(1,352,414)	-
2016 Unified School District, Series A	-	(1,205,211)	(1,205,211)	(7,695,858)	6,490,647
TOTAL NET BID PREMIUM	\$ -	\$ (3,211,337)	\$ (3,211,337)	\$ (9,701,984)	\$ 6,490,647
SUB-TOTAL NET OF NET PREMIUM AVAILABLE FOR DEBT SERVICE PAYMENT	\$ 70,130,000	\$ 38,983,854	\$ 109,113,854	\$ 109,055,602	\$ 58,252
BAY AREA RAPID TRANSIT DISTRICT (BART)					
2004 BART Earthquake Safety Bonds, 2007 Series B	-	-	-	2,733,636	(2,733,636)
2004 BART Earthquake Safety Bonds, 2013 Series A	-	-	-	9,555,672	(9,555,672)
2004 BART Earthquake Safety Bonds 2013 Series C	5,994,405	3,094,674	9,089,079	9,089,079	-
2004 BART Gen Obligation Bonds Refunding 2017 Series E	1,479,506	1,243,681	2,723,187	2,723,187	-
2004 BART Gen Obligation Bonds Refunding 2015 Series D	360,329	4,087,312	4,447,641	4,447,641	-
2015 BART General Obligation Bonds	-	-	-	4,284,640	(4,284,640)
2016 BART General Obligation Bonds 2017 Series A (Estimate)	1,517,697	4,022,777	5,540,474	8,383,803	(2,843,329)
SUB-TOTAL BAY AREA RAPID TRANSIT DISTRICT	\$ 9,351,937	\$ 12,448,444	\$ 21,800,381	\$ 24,957,751	\$ (3,157,370)
SUB-TOTAL SFCCD, SFUSD AND BART	\$ 96,026,937	\$ 62,814,261	\$ 158,841,198	\$ 160,433,103	\$ (1,591,905)
TOTAL GENERAL OBLIGATIONS - GENERAL CITY, SFCCD, SFUSD, AND BART	\$ 320,732,482	\$ 138,239,732	\$ 458,972,214	\$ 455,424,017	\$ 3,548,197

Attachment C

COMPARATIVE TAX BILL

A tax bill calculation of a home in San Francisco with an assessed value of \$520,000 in fiscal year 2017-2018 compared with fiscal year 2018-2019 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 2017-2018</u>				
Assessed Value FY 2017-18	\$520,000			
Less Homeowners' Exemption	<u>7,000</u>			
	<u>\$513,000</u>	\$1.1723	\$6,013.90	
<u>FY 2018-2019</u>				
Prior Year Assessed Value	\$520,000			
Add 2.000% California Consumer Price Index (CPI) Increase	<u>10,400</u>			
Assessed Value FY 2018-19	\$530,400			
Less Homeowners' Exemption	<u>7,000</u>			
	<u>\$523,400</u>	<u>\$1.1630</u>	<u>\$6,087.14</u>	
Increase / (Decrease)		<u>(\$0.0093)</u>	<u>\$ 73.24</u>	1.22%