

File No. 190837

Committee Item No. 11

Board Item No. 9

**COMMITTEE/BOARD OF SUPERVISORS**  
AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Committee

Date September 4, 2019

Board of Supervisors Meeting

Date September 10, 2019

**Cmte Board**

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Completed by: Linda Wong Date August 29, 2019

Completed by: Linda Wong Date September 5, 2019

1 [Setting Property Tax Rate and Establishing Pass-Through Rate for Residential Tenants -  
 2 FY2019-2020]

3 Ordinance levying property taxes at a combined rate of \$1.1771 on each \$100 valuation  
 4 of taxable property for the City and County of San Francisco, San Francisco Unified  
 5 School District, San Francisco County Office of Education, San Francisco Community  
 6 College District, Bay Area Rapid Transit District, and Bay Area Air Quality Management  
 7 District; and establishing a pass-through rate of \$0.0660 per \$100 of assessed value for  
 8 residential tenants pursuant to Administrative Code, Chapter 37, for the fiscal year  
 9 ending June 30, 2020.

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

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

18 **Section 1.** Pursuant to the laws of the State of California, a tax is hereby levied for the  
 19 fiscal year ending June 30, 2020, on all property, real and personal, in the City and County of  
 20 San Francisco, except such property as is by law exempt from taxation, in the sum of  
 21 \$1.01587334 on each \$100 valuation of said taxable property as the same appears upon the  
 22 secured assessment roll of the City and County for the fiscal year. The tax shall be  
 23 apportioned to the General Fund and the General Obligation Bond Fund, and according to the  
 24 provisions of Sections 16.106, 16.107, 16.108, and 16.109 of the Charter as follows:  
 25

1	For the General Fund, the rate of	\$ 0.80918319 <sup>(1)</sup>
2	For the Library Preservation Fund, the rate of	0.02500000
3	For the San Francisco Children's Fund, the rate of	0.04000000
4	For the Open Space Fund, the rate of.	0.02500000
5	For the General Obligation Bond Fund, the rate of	<u>0.11669015</u>
6	<b>TOTAL City and County of San Francisco</b>	<b>\$1.01587334</b>

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10

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

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, 2020, 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 \$0.11859296 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>\$0.04160439</u>
19	<b>TOTAL San Francisco Unified School District</b>	<b>\$0.11859296</b>

20

21           **Section 3.** Pursuant to the laws of the State of California, a tax is hereby levied for San  
22 Francisco County Office of Education purposes for the fiscal year ending June 30, 2020, 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 \$0.00097335 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 \$0.00097335  
4 **TOTAL San Francisco County Office of Education \$0.00097335**

5  
6 **Section 4.** Pursuant to the laws of the State of California, a tax is hereby levied for San  
7 Francisco Community College District purposes for the fiscal year ending June 30, 2020, on  
8 all property, real and personal, in the City and County of San Francisco, except such property  
9 as is by law exempt from taxation, in the sum of \$0.02423908 on each \$100 valuation of said  
10 taxable property as the same appears upon the secured assessment roll of the City and  
11 County for the fiscal year. The tax shall be apportioned as follows:

12 For General Operations, the rate of \$0.01444422  
13 For General Obligation Bond Debt Service, the rate of \$0.00979486  
14 **TOTAL San Francisco Community College District \$0.02423908**

15  
16 **Section 5.** Pursuant to the laws of the State of California, a tax is hereby levied for Bay  
17 Area Rapid Transit District purposes for the fiscal year ending June 30, 2020, on all property,  
18 real and personal, in the City and County of San Francisco, except such property as is by law  
19 exempt from taxation, in the sum of \$0.01532528 on each \$100 valuation of said taxable  
20 property as the same appears upon the secured assessment roll of the City and County for  
21 the fiscal year. The tax shall be apportioned as follows:

22 For General Operations, the rate of \$0.00632528  
23 For General Obligation Bond Debt Service, the rate of \$0.00900000  
24 **TOTAL Bay Area Rapid Transit District \$0.01532528**

1           **Section 6.** Pursuant to the laws of the State of California, a tax is hereby levied for Bay  
2 Area Air Quality Management District purposes for fiscal year ending June 30, 2020, on all  
3 property, real and personal, in the City and County of San Francisco, except such property as  
4 is by law exempt from taxation, in the sum of \$0.00208539 on each \$100 valuation of said  
5 taxable property as the same appears upon the secured assessment roll of the City and  
6 County for the fiscal year. The tax shall be apportioned as follows:

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

9  
10           **Section 7.** The combined property tax rate for the City and County of San Francisco,  
11 San Francisco Unified School District, San Francisco County Office of Education, San  
12 Francisco Community College District, Bay Area Rapid Transit District, and Bay Area Air  
13 Quality Management District, as set forth above, shall therefore be \$1.1771 on each \$100  
14 valuation of said taxable property.

15  
16           **Section 8.** Pursuant to Sections 37.3(a)(6)(A), (B), and (C) of the Administrative Code,  
17 the Board of Supervisors hereby determines that, based on the combined property tax rate  
18 provided in Section 7 of this ordinance, the property tax pass-through rate for residential  
19 tenants for the fiscal year ending June 30, 2020, shall be \$0.0660 per \$100 of assessed  
20 value. The pass-through rate is based on three factors: (1) 100% of the change in the  
21 landlord's property tax resulting from repayment of the City's general obligation bonds  
22 approved by voters between November 1, 1996, and November 30, 1998; (2) 50% of the  
23 change in the landlord's property tax resulting from repayment of the City's general obligation  
24 bonds approved by voters after November 14, 2002; and (3) 50% of the change in the  
25 landlord's property tax resulting from repayment of the San Francisco Unified School District

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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, 2020.

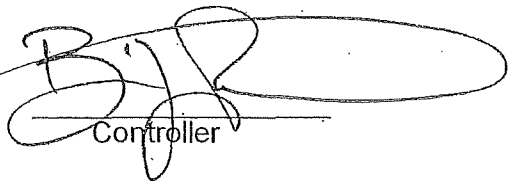
**Section 9.** The rate for the City and County of San Francisco General Obligation Bond Fund includes a collection fee of 0.25% of the fund collected for the purpose of General Obligation Bond debt service. An amount sufficient to pay this fee is hereby appropriated within the General Obligation Bond Fund and the Controller is hereby authorized to pay this fee into the General Fund from the General Obligation Bond Fund.

Prepared By:

Approved As to Form:

Ben Rosenfield

Dennis J. Herrera, City Attorney

  
Controller

BY:   
Deputy City Attorney

**LEGISLATIVE DIGEST**

[Setting San Francisco's Property Tax Rate and Establishing Pass-Through Rate for Residential Tenants – FY2019-2020]

**Ordinance providing revenue and levying property taxes at a combined rate of \$1.1771 on each \$100.00 valuation of taxable property for the City and County of San Francisco, San Francisco Unified School District, San Francisco County Office of Education, San Francisco Community College District, Bay Area Rapid Transit District, and Bay Area Air Quality Management District, and establishing pass-through rate of \$0.0660 per \$100.00 of assessed value for residential tenants pursuant to Chapter 37 of the Administrative Code for the fiscal year ending June 30, 2020.**

**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 223-18 for Fiscal Year 2018-2019. That Ordinance established the 2018-2019 fiscal year's combined secured property tax rate of \$1.1630 on each \$100 valuation of taxable property within the City and County of San Francisco. Ordinance Number 223-18 also established the property tax pass-through rate of residential tenants of \$0.0675 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 \$1.1771 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 2019-2020. The legislation also updates the property tax pass-through rate of residential tenants to \$0.0660 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 County Office of Education, 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.

<p><b>Item 11</b> <b>File 19-0837</b></p>	<p><b>Department:</b> Controller's Office (Controller)</p>
<p><b>EXECUTIVE SUMMARY</b></p>	
<p style="text-align: center;"><b>Legislative Objectives</b></p>	
<ul style="list-style-type: none"> <li>• The proposed ordinance sets the property tax rate for FY 2019-20 for taxing entities within the City and County of San Francisco, including (a) the City and County of San Francisco (City); (b) the San Francisco Unified School District (SFUSD); (c) the San Francisco County Office of Education; (d) the San Francisco Community College District (SFCCD); (e) the Bay Area Rapid Transit District (BART); and (f) the Bay Area Air Quality Management District (BAAQMD).</li> </ul>	
<p style="text-align: center;"><b>Key Points</b></p>	
<ul style="list-style-type: none"> <li>• 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, SFUSD, SFCCD, and BART.</li> <li>• The proposed ordinance also would set the property tax pass-through rate that landlords can pass through to tenants in FY 2019-20, as allowed under the City Administrative Code.</li> </ul>	
<p style="text-align: center;"><b>Fiscal Impact</b></p>	
<ul style="list-style-type: none"> <li>• 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 2019-20 at \$1.1801 per \$100 of assessed value. The FY 2019-20 property tax rate of \$1.1801 is \$0.0171, or 1.5 percent, greater than the FY 2018-19 property tax rate of \$1.1630 per \$100 of assessed value.</li> <li>• The proposed FY 2019-20 property tax rate of \$1.1801 would increase property tax rates by \$226.73 on a single-family residence that has an assessed value of \$571,200 in FY 2019-20.</li> </ul>	
<p style="text-align: center;"><b>Recommendation</b></p>	
<ul style="list-style-type: none"> <li>• Approve the proposed ordinance.</li> </ul>	



## MANDATE STATEMENT

California Revenue and Taxation Code Section 2151 requires the Board of Supervisors to fix the rates of county 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; \$0.0400 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 certain 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 and County of San Francisco (City), the San Francisco Unified School District (SFUSD), the San Francisco Community College District (SFCCD), and the Bay Area Rapid Transit District (BART).

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 PROPOSED LEGISLATION

The proposed ordinance sets the property tax rate for FY 2019-20 for taxing entities<sup>1</sup> within the City and County of San Francisco including (a) the City; (b) the San Francisco Unified School District; (c) the San Francisco County Office of Education; (d) San Francisco Community College District; (e) BART; and (f) 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 2019-20, 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 part of a tenant's base rent. The allowable tenant pass-through rate is based on the portion of

<sup>1</sup> 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 \$0.8092 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.

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 for General Obligation Bond Debt Service Allowed for Pass-Through to Tenants**

Taxing Entity	Date of General Obligation Bond Approval by Voters	Pass-Through Rate
City and County of San Francisco	November 1, 1996 – November 30, 1998	100%
City and County of San Francisco	November 14, 2002 – Present	50%
San Francisco Unified School District	November 1, 2006 – Present	50%
San Francisco Community College District		

**FISCAL IMPACT**

**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 2019-20 at \$1.1801 per \$100 of assessed value. The FY 2019-20 property tax rate of \$1.1801 is \$0.0171, or 1.5 percent, more than the FY 2018-19 property tax rate of \$1.1630 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\***

Tax	FY 2018-19	Proposed FY 2019-20	Increase (Decrease)
General Fund	\$0.8092	\$0.8092	-
Library Preservation Fund	0.0250	0.0250	-
Children's Fund	0.0400	0.0400	-
Open Space Acquisition Fund	0.0250	0.0250	-
General Obligation Bond Fund	0.1075	0.1167	0.0092
<b>City Subtotal</b>	<b>\$1.0067</b>	<b>\$1.0159</b>	<b>\$0.0092</b>
General Operations	\$0.0770	\$0.0770	-
General Obligation Bond Debt Service	0.0387	0.0416	0.0029
<b>SFUSD Subtotal</b>	<b>\$0.1157</b>	<b>\$0.1186</b>	<b>\$0.0029</b>
<b>San Francisco County Office of Education Operations</b>	<b>\$0.0010</b>	<b>\$ 0.0010</b>	-
General Operations	\$0.0144	\$0.0144	-
General Obligation Bond Debt Service	0.0098	0.0098	-
<b>SFCCD Subtotal</b>	<b>\$0.0242</b>	<b>\$0.0242</b>	-
General Operations	\$0.0063	\$0.0063	-
General Obligation Bond Debt Service	0.0070	0.0120	0.0050
<b>BART Subtotal</b>	<b>\$0.0133</b>	<b>\$0.0183</b>	<b>\$0.0050</b>
<b>Bay Area Air Quality Management District Operations</b>	<b>\$0.0021</b>	<b>\$0.0021</b>	-
<b>Total Property Tax Rate<sup>2</sup></b>	<b>\$1.1630</b>	<b>\$1.1801</b>	<b>\$0.0171</b>

\* 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 costs of collecting property taxes. This 0.25 percent administrative allowance is charged to the total property tax collection attributable to the General Obligation bonds, 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 \$0.0660 per \$100 of assessed value in FY 2019-20. The allowable tenant pass-through rate is \$0.0015 less than the rate of \$0.0675 in FY 2018-19.

#### **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 2.00 percent. For FY 2019-20, the State Board of

<sup>2</sup> Because the property tax rate is calculated to the 8<sup>th</sup> decimal place, totals in the above table do not add due to rounding.

Equalization determined that the allowable inflation factor is 2.00 percent.<sup>3</sup> Therefore, a single-family residence in San Francisco with an assessed value of \$560,000 in FY 2018-19 has an assessed value of \$571,200 in FY 2019-20.<sup>4</sup>

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 2019-20 property tax rate of \$1.1801 would increase property taxes by \$226.73 on a single-family residence that has an assessed value of \$571,200 in FY 2019-20.

**Table 3: Impact on Property Tax Payments**

Fiscal Year 2018-19	Single Family Residence	Allowable Tenant Pass-Through
Assessed Value	\$560,000	\$560,000
Less Homeowners Exemption	-7,000	0
<b>Total Taxable Assessed Value</b>	<b>553,000</b>	<b>560,000</b>
Tax Rate per \$100 of Assessed Value	1.1630	0.0675
<b>Property Taxes Payable in 2018-19</b>	<b>\$6,431.39</b>	<b>\$378.00</b>
<b>Proposed Fiscal Year 2019-20</b>		
Prior Year Assessed Value	\$560,000	\$560,000
Plus Cost of Living Increase (2.000 percent)	11,200	11,200
Subtotal	571,200	571,200
Less Homeowners Exemption	-7,000	0
<b>Total Taxable Assessed Value</b>	<b>564,200</b>	<b>571,200</b>
Tax Rate per \$100 of assessed value	1.1801	0.0660
<b>Property Taxes Payable in FY 2019-20</b>	<b>\$6,658.12</b>	<b>\$376.99</b>
<b>Total Increase / (Decrease) in Property Taxes Payable in FY 2019-20 as Compared to FY 2018-19 for a Single-Family Residence with a Prior Year Assessed Values of \$560,000</b>	<b>\$226.73</b>	<b>(\$1.01)</b>

## RECOMMENDATION

Approve the proposed ordinance.

<sup>3</sup> 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.

<sup>4</sup> The median assessed valuation for a single residential parcel in FY 2018-19 in San Francisco was approximately \$560,000.



**OFFICE OF THE CONTROLLER**  
CITY AND COUNTY OF SAN FRANCISCO

Ben Rosenfield  
Controller

Todd Rydstrom  
Deputy Controller

July 30, 2019

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 2019-20 Property Tax Rate Ordinance

Dear Ms. Calvillo:

I am submitting an ordinance for consideration to amend the tax levy for FY 2019-20. This ordinance includes the following:

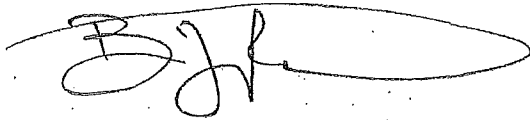
- Property Tax Levy for City and County;
- Property Tax Levy for Unified School District;
- Property Tax Levy for County Office of Education;
- Property Tax Levy for Community College District
- Property Tax Levy for Bay Area Rapid Transit District
- Property Tax Levy for Bay Area Air Quality Management 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 4, 2019 to satisfy this requirement.

2 | Submission of FY 2019-20 Property Tax Rate Ordinance

Please contact Jamie Whitaker, Property Tax Manager, at 415-554-7593 if you have questions regarding this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Ben Rosenfield", written over a horizontal line.

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 30, 2019

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 2019-2020 which the City and County of San Francisco (CCSF) administers. The Bay Area Rapid Transit District (BART) also adopts a debt service tax rate factor for their combined three county service areas. 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 2019-2020 is projected to be \$1.1771 for each \$100 of assessed value, near the middle of the CCSF approved property tax rates in recent years which have ranged from \$1.1630 (FY 2018-2019) to \$1.1880 (FY 2013-2014). The CCSF property tax rate factor for this fiscal year's general obligation bond debt service remains below the CCSF Capital Plan's designated cap of \$0.12012547, established in FY 2005-2006. The respective tax rates by accruing entity are as follows:

	<u>Tax Rate Ordinance</u>
San Francisco Community College District (SFCCD) (includes 0.00979486 debt service)	\$0.02423908 <sup>1</sup>
San Francisco Unified School District (SFUSD) (includes 0.04160439 debt service)	0.11859296 <sup>1</sup>
CCSF - General Fund	0.80918319 <sup>1</sup>
CCSF - Library Preservation Fund	0.02500000
CCSF - Children's Fund	0.04000000
CCSF - Open Space Fund	0.02500000
CCSF - General Obligation Bond Debt Service	0.11669015
San Francisco County Office of Education (SF COE)	0.00097335 <sup>1</sup>
Bay Area Air Quality Management District	0.00208539
BART - General Fund	<u>0.00632528</u>
Total excluding BART District Debt Service	\$1.16808940
BART - Debt Service (Estimate)	0.00900000
<b>Total Combined Tax Rate</b>	<b><u>\$1.17708940</u></b>

<sup>1</sup> Tax rate factors listed represent apportionments prior to State-mandated tax shifts of local property tax revenues into and out of the Educational Revenue Augmentation Fund (ERAF).

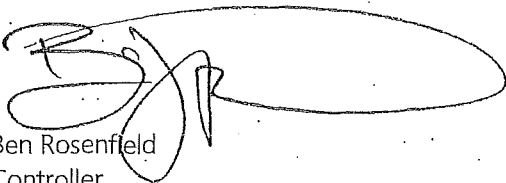
State law requires a shift of \$0.25330113 of the CCSF General Fund's \$0.80918319 apportionment into the CCSF's Educational Revenue Augmentation Fund (ERAF). After the State-mandated shift to ERAF, the CCSF General Fund's allocation factor is reduced to \$0.55588206 for each \$100 of assessed value. State law further prescribes how ERAF revenues are allocated among SFCCD, SFUSD, SFCOE, and CCSF.

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 2019-2020 general obligation bond debt service schedule (principal and interest) relevant to the property tax rate calculations.

For fiscal year 2019-2020, the pass-through rate for residential tenants is \$0.0660 per \$100 of assessed value, or 6.6 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 2019-2020, the consumer price index adjustment authorized by the State is 2.00%. The median assessed valuation for a single-family residential parcel at the beginning of fiscal year 2018-2019 in San Francisco was \$560,227. As shown in Attachment C, the combination of a tax rate of \$1.1771 for each \$100 of assessed value and the 2.000% consumer price index adjustment that increases the assessed value of the example residence from \$560,227 in fiscal year 2018-2019 to \$571,432 in fiscal year 2019-2020 results in an approximate \$210 ad valorem property tax increase (see attachment C for calculation).

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 &amp; 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%
2019 - 2020	1.0000	0.1167	0.0604	1.1771	1.21%

# Attachment B

## CITY AND COUNTY OF SAN FRANCISCO Debt Service Requirements - General Obligation Bonds Comparative Statement - Fiscal Year 2019-20 and 2018-2019

Bond Description	FY 2019-2020 Principal	FY 2019-2020 Interest	FY 2019-2020 Total	FY 2018-2019 Total	INCREASE/ (DECREASE)
<b>GENERAL CITY</b>					
1992 SS/P/2016 PASS Program, Series 2020C (estimated) - \$67.68M	580,000	1,269,003	1,849,003	-	1,849,003
1992 UMB Program - Seismic Safety, Series 2007A (1st to 7th draw)	1,606,232	904,521	2,410,753	\$ 2,410,753	-
1992 UMB Program - Seismic Safety, Series 2016A (estimated variable interest)	-	-	-	690,000	(690,000)
1992 UMB Program - Seismic Safety, Series 2018F (estimated) \$35M	-	-	-	1,150,417	(1,150,417)
2008 Clean and Safe Neighborhood Parks, BAB Series 2010D	2,735,000	1,956,703	4,691,703	1,956,703	2,735,000
2008 Clean and Safe Neighborhood Parks, Series 2010B	2,860,000	1,493,025	4,353,025	4,353,026	(1)
2008 Clean and Safe Neighborhood Parks, Series 2012B	340,000	238,750	578,750	578,000	(750)
2008 Clean and Safe Neighborhood Parks, Series 2016A	1,705,000	139,200	1,844,200	1,834,400	9,800
2008 General Obligation Bond Refunding, Series 2008 R1	13,340,000	9,540,977	22,880,977	9,540,977	13,340,000
2008 San Francisco General Hospital Improvement Bonds, BAB Series 2010C	-	-	-	5,815,063	(5,815,063)
2008 San Francisco General Hospital Improvement Bonds, Series 2009A	-	-	-	13,339,913	(13,339,913)
2008 San Francisco General Hospital Improvement Bonds, Series 2010A	-	-	-	15,057,000	(2,760)
2008 San Francisco General Hospital Improvement Bonds, Series 2012D	8,455,000	6,599,250	15,054,250	14,704,613	3,450,637
2008 San Francisco General Hospital Improvement Bonds, Series 2014A	8,075,000	6,629,613	14,704,613	14,709,363	(4,750)
2010 Earthquake Safety & Emergency Response, Series 2010E	2,605,000	1,858,500	4,463,500	4,462,500	1,000
2010 Earthquake Safety & Emergency Response, Series 2012A	6,965,000	4,520,750	11,485,750	11,487,500	(1,750)
2010 Earthquake Safety & Emergency Response, Series 2012E	1,625,000	1,267,450	2,892,450	2,889,700	2,750
2010 Earthquake Safety & Emergency Response, Series 2013B	860,000	763,700	1,623,700	1,624,700	(1,000)
2010 Earthquake Safety & Emergency Response, Series 2014C	1,920,000	1,680,063	3,600,063	3,601,563	(1,500)
2010 Earthquake Safety & Emergency Response, Series 2016C	985,000	741,575	1,726,575	1,723,325	3,250
2011 General Obligation Bond Refunding, Series 2011 R1	28,480,000	7,257,900	35,737,900	35,733,900	4,000
2011 Road Repaving and Street Safety, Series 2012C	2,925,000	1,528,350	4,453,350	4,455,950	(2,600)
2011 Road Repaving and Street Safety, Series 2013C	3,590,000	3,187,450	6,777,450	6,778,450	(1,000)
2011 Road Repaving and Street Safety, Series 2016E	1,720,000	1,297,850	3,017,850	3,019,650	(2,000)
2012 Clean and Safe Neighborhood Parks, Series 2013A	1,995,000	1,771,250	3,766,250	3,766,250	-
2012 Clean and Safe Neighborhood Parks, Series 2016B	1,100,000	768,400	1,868,400	1,865,650	2,750
2012 Clean and Safe Neighborhood Parks, Series 2018A	1,710,000	1,662,713	3,372,713	3,374,213	(1,500)
2012 Clean and Safe Neighborhood Parks, Series 2019D (estimated) - \$3.1M	80,000	193,233	273,233	-	273,233
2014 Earthquake Safety & Emergency Response Series 2018C	4,855,000	6,294,650	10,149,650	60,550,855	(50,401,205)
2014 Earthquake Safety & Emergency Response, Series 2014D	3,515,000	3,077,063	6,592,063	6,599,313	7,250
2014 Earthquake Safety & Emergency Response, Series 2016D	3,320,000	2,501,263	5,821,263	5,819,263	2,000
2014 Transportation & Road Improvement, Series 2020B (estimated) - \$150M	20,000,000	8,600,000	28,600,000	-	28,600,000
2014 Transportation & Road Improvements Series 2018B	3,895,000	3,781,338	7,676,338	7,671,588	4,750
2014 Transportation & Road Improvements, Series 2015B	1,885,000	1,565,381	3,450,381	3,450,131	250
2015 Affordable Housing Series 2018D	3,950,000	3,815,443	7,765,443	45,399,329	(37,633,886)
2015 Affordable Housing, Series 2016F	2,355,000	1,281,280	3,636,280	3,637,480	(1,200)
2015 Affordable Housing, Series 2019C (estimated) - \$92.725M	20,000,000	5,758,253	25,758,253	-	25,758,253
2015 General Obligation Bond Refunding, Series 2015 R1	13,480,000	11,075,250	24,555,250	25,486,500	(931,250)
2016 Affordable Housing Series 2019A	895,000	2,853,222	3,748,222	-	3,748,222
2016 Public Health and Safety, Series 2017A	4,750,000	4,770,050	9,520,050	9,521,300	(1,250)
2016 Public Health and Safety, Series 2018E	1,175,000	1,362,188	2,537,188	15,751,192	(13,214,004)
2016 Public Health and Safety, Series 2020A (estimated) - \$126.8M	30,000,000	7,269,580	37,269,580	-	37,269,580
2018 Seawall Earthquake Safety, Series 2019B (estimated) - \$50M	20,000,000	1,366,667	21,366,667	-	21,366,667
<b>SUB-TOTAL GENERAL CITY BEFORE NET PREMIUM &amp; SUBSIDIES</b>	<b>\$ 230,231,232</b>	<b>\$ 121,640,654</b>	<b>\$ 351,871,886</b>	<b>\$ 342,829,892</b>	<b>\$ 9,041,994</b>
<b>FEDERAL SUBSIDY, NET BID PREMIUM, SB 112B REIMBURSEMENT, and TOBACCO SETTLEMENT REVENUE AVAILABLE FOR DEBT SERVICE PAYMENT</b>					
2009 Clean and Safe Neighborhood Parks, BAB 2010D	-	(637,592)	(637,592)	(637,591)	(1)
2009 San Francisco General Hospital Improvement Bonds, BAB Series 2010C	-	(3,108,927)	(3,108,927)	(3,108,927)	-
2012 Clean and Safe Neighborhood Parks, Series 2018A	-	-	-	(1,321,778)	1,321,778
2014 Earthquake Safety & Emergency Response Series 2018C	-	(632,189)	(632,189)	(8,385,855)	7,753,666
2014 Transportation & Road Improvements Series 2018B	-	-	-	(3,005,466)	3,005,466
2015 Affordable Housing Series 2018D	-	-	-	(985,799)	985,799
2016 Public Health and Safety Series 2017A	-	-	-	(4,316,161)	4,316,161
2016 Public Health and Safety, Series 2018E	-	-	-	(1,826,379)	1,826,379
SB 112B Reimbursement	-	(1,231,779)	(1,231,779)	(636,703)	(595,076)
Tobacco Settlement Revenue Reimbursement	(11,915,000)	(5,961,621)	(17,876,621)	(18,474,197)	597,576
<b>TOTAL NET PREMIUM, SB 112B REIMBURSEMENT, FEDERAL SUBSIDY</b>	<b>(11,915,000)</b>	<b>(11,672,108)</b>	<b>(23,587,108)</b>	<b>(42,699,876)</b>	<b>19,211,768</b>
<b>SUB-TOTAL GENERAL CITY NET OF NON-PROPERTY TAX SOURCES</b>	<b>\$ 218,316,232</b>	<b>\$ 110,068,546</b>	<b>\$ 328,384,778</b>	<b>\$ 300,131,016</b>	<b>\$ 28,253,762</b>
<b>OUTSIDE CITY ANNUAL BUDGET</b>					
<b>SAN FRANCISCO COMMUNITY COLLEGE DISTRICT (SFCCD)</b>					
2005 Community College District, 2010 Series D	\$ 1,440,000	\$ 1,497,300	\$ 2,937,300	\$ 1,497,300	\$ 1,440,000
2005 Community College District, 2010 Series C	\$ -	\$ -	\$ -	\$ 1,568,463	\$ (1,568,463)
2015 Community College District, Refunding Bonds	15,735,000	9,101,100	24,836,100	24,961,200	(25,100)
<b>SUB-TOTAL SAN FRANCISCO COMMUNITY COLLEGE DISTRICT</b>	<b>\$ 17,175,000</b>	<b>\$ 10,698,400</b>	<b>\$ 27,773,400</b>	<b>\$ 27,926,963</b>	<b>\$ (153,563)</b>
<b>SAN FRANCISCO UNIFIED SCHOOL DISTRICT (SFUSD)</b>					
2005 Unified School District, 2007 Series A	\$ -	\$ 834,600	\$ 834,600	\$ 834,600	\$ -
2005 Unified School District, 2009 Series B	-	-	-	10,835,750	(10,835,750)
2005 Unified School District, 2010 Series C (QSCB)	-	742,969	742,969	742,969	-
2005 Unified School District, 2010 Series D (BAB)	-	4,150,420	4,150,420	4,150,420	-
2005 Unified School District, 2010 Series E	8,815,000	1,899,500	10,714,500	10,714,250	250
2006 Unified School District, 2015 Series F	580,000	535,763	1,115,763	1,118,513	(2,750)
2011 Unified School District, 2012 Series A	5,080,000	3,706,350	8,786,350	8,783,100	3,250
2011 Unified School District, 2013 Series B	-	-	-	-	-
2011 Unified School District, 2014 Series B	8,465,000	6,947,513	15,412,513	15,410,513	2,000
2011 Unified School District, 2015 Series C	8,170,000	7,532,663	15,702,663	15,701,563	1,000
2009 Unified School District, 2015 Series C (\$211M Estimate)	-	-	-	-	-
2012 General Obligation Refunding Bonds	9,460,000	2,262,200	11,722,200	11,707,450	4,750
2015 General Obligation Refunding Bonds	8,025,000	2,050,300	10,075,300	10,077,550	(2,250)
2016 Unified School District, 2012 Series A	7,205,000	5,665,563	12,870,563	19,601,263	(6,730,700)
2016 Unified School District, Series B (estimated)	13,300,000	1,675,000	14,975,000	-	14,975,000
2017 General Obligation Refunding Bonds	9,665,000	2,647,250	12,312,250	2,647,250	9,665,000
<b>SUB-TOTAL SF UNIFIED SCHOOL DISTRICT BEFORE NET PREMIUM</b>	<b>\$ 78,765,000</b>	<b>\$ 40,660,391</b>	<b>\$ 119,425,391</b>	<b>\$ 112,325,191</b>	<b>\$ 7,100,200</b>
<b>NET PREMIUM AVAILABLE FOR DEBT SERVICE PAYMENT</b>					
2005 Unified School District, Series B (2009)	\$ -	\$ -	\$ -	\$ -	\$ -
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
<b>TOTAL NET BID PREMIUM</b>	<b>\$ -</b>	<b>\$ (2,006,126)</b>	<b>\$ (2,006,126)</b>	<b>\$ (3,211,337)</b>	<b>\$ 1,205,211</b>
<b>SUB-TOTAL NET OF NET PREMIUM AVAILABLE FOR DEBT SERVICE</b>	<b>\$ 78,765,000</b>	<b>\$ 38,654,265</b>	<b>\$ 117,419,265</b>	<b>\$ 109,113,854</b>	<b>\$ 8,305,411</b>
<b>BAY AREA RAPID TRANSIT DISTRICT (BART)</b>					
2004 BART Earthquake Safety Bonds 2013 Series C	6,179,340	2,824,347	9,103,687	9,069,079	14,608
2004 BART Gen Obligation Bonds Refunding 2017 Series E	1,782,108	1,203,537	2,985,645	2,723,187	262,458
2004 BART Gen Obligation Bonds Refunding 2015 Series D	390,681	4,188,602	4,579,283	4,447,841	121,442
2016 BART General Obligation Bonds 2017 Series A	1,621,650	4,071,798	5,693,448	5,540,474	152,974
<b>SUB-TOTAL BAY AREA RAPID TRANSIT DISTRICT</b>	<b>\$ 9,963,779</b>	<b>\$ 12,388,279</b>	<b>\$ 22,352,038</b>	<b>\$ 21,800,381</b>	<b>\$ 551,657</b>
<b>SUB-TOTAL SFCCD, SFUSD AND BART NET OF NON-PROPERTY TAX</b>	<b>\$ 105,903,759</b>	<b>\$ 61,640,944</b>	<b>\$ 167,544,703</b>	<b>\$ 158,041,198</b>	<b>\$ 8,703,505</b>
<b>TOTAL GENERAL OBLIGATIONS - GENERAL CITY, SFCCD, SFUSD, AND BART NET OF NON-PROPERTY TAX SOURCES</b>					
	<b>\$ 324,219,991</b>	<b>\$ 171,709,490</b>	<b>\$ 495,929,481</b>	<b>\$ 458,972,214</b>	<b>\$ 36,957,267</b>

## Attachment C

### COMPARATIVE TAX BILL

A tax bill calculation of a single-family home in San Francisco with an assessed value of \$560,227 in fiscal year 2018-2019 compared with fiscal year 2019-2020 is as follows:

	<u>Assessed Value (100%)</u>		<u>Property Tax Rate per \$100 Value</u>		<u>Tax Bill</u>	<u>% Change</u>
<b><u>FY 2018-2019</u></b>						
Assessed Value FY 2018-19	\$560,227					
Less Homeowners' Exemption	<u>(7,000)</u>					
	<u>\$553,227</u>	x	\$1.1630	=	\$6,434.02	
<b><u>FY 2019-2020</u></b>						
Prior Year Assessed Value	\$560,227					
Add 2.000% California Consumer Price Index (CPI) Increase	<u>11,205</u>					
Assessed Value FY 2019-20	\$571,432					
Less Homeowners' Exemption	<u>(7,000)</u>					
	<u>\$564,432</u>	x	\$1.1771	=	\$6,643.92	
<b>Increase / (Decrease)</b>			<b><u>\$0.0141</u></b>		<b><u>\$ 209.90</u></b>	<b>3.26%</b>

OFFICE OF THE MAYOR  
SAN FRANCISCO



LONDON N. BREED  
MAYOR

*SK*

TO: Angela Calvillo, Clerk of the Board of Supervisors  
FROM: Sophia Kittler  
RE: Setting Property Tax Rate and Establishing Pass-Through Rate for  
Residential Tenants - FY2019-2020  
DATE: 7/30/19

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Ordinance levying property taxes at a combined rate of \$1.1771 on each \$100 valuation of taxable property for the City and County of San Francisco, San Francisco Unified School District, San Francisco County Office of Education, San Francisco Community College District, Bay Area Rapid Transit District, and Bay Area Air Quality Management District; and establishing a pass-through rate of \$0.0660 per \$100 of assessed value for residential tenants pursuant to Administrative Code, Chapter 37, for the fiscal year ending June 30, 2020.

Should you have any questions, please contact Sophia Kittler at 415-554-6153.

2019 JUL 30 PM 4:24  
AK

1 DR. CARLTON B. GOODLETT PLACE, ROOM 200  
SAN FRANCISCO, CALIFORNIA 94102-4681  
TELEPHONE: (415) 554-6141

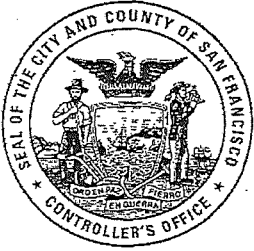
File # 190837  
 Received in Committee  
 9/4/19



# Property Tax Rate History

(Referenced in Attachment A – updated rate shown here)

Fiscal Year	Prop 13 Base Tax Rate	San Francisco G.O. Bonds Tax Rate	Schools & Special Districts G.O. Bonds Tax Rate	Combined Secured Property Tax Rate	% Change from Prior Year
2013 - 2014	1.0000	0.1195	0.0685	1.1880	1.62%
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	0.1190	0.0602	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%
2019 - 2020	1.0000	0.1167	0.0634	1.1801	1.47%



# Comparative Tax Bill

(Referenced in Attachment C – updated rate shown here)

	Assessed Value (AV)	Property Tax Rate per \$100 AV	Tax Bill
<b>FY 2018-2019</b>			
Assessed Value	\$560,227		
Less Homeowners' Exemption	(\$7,000)		
Taxable Value	\$553,227	\$1.1630	\$6,434
<b>FY 2019-2020</b>			
Prior Year Assessed Value	\$560,227		
Add 2% - California CPI Increase	\$11,205		
Current Year Assessed Value	\$571,432		
Less Homeowners' Exemption	(\$7,000)		
Taxable Value	\$564,432	\$1.1801	\$6,661
		<b>Dollar Increase</b>	<b>\$227</b>
		<b>Percent Increase</b>	<b>3.5%</b>