Resolution establishing the appropriations limit for Fiscal Year (FY) 2021-2022 pursuant to California Constitution Article XIII B.

WHEREAS, Article XIII B of the California Constitution provides that the annual appropriations of the City and County of San Francisco, which are subject to said Article, may not exceed the Appropriations Limit for the prior year, with adjustments as provided in said Article XIII B; and

WHEREAS, The California Government Code, Section 7901, defines the terms, and Section 7902(b) sets forth the equations to be used to determine the City and County of San Francisco's annual Appropriations Limit, according to the following formula:

(b) "...the appropriations limit of the state and each local jurisdiction shall equal the appropriations limit for the prior fiscal year multiplied by the product of the change in cost of living, as defined in paragraph (2) of subdivision (e) of Section 8 of Article XIII B of the California Constitution, and the change in population of the local jurisdiction for the calendar year preceding the beginning of the fiscal year for which the appropriations limit is to be determined, and adjusted for other changes required or permitted by Article XIII B of the California Constitution;" and

WHEREAS, Article XIII B, Section 8(e)(2) of the California Constitution authorizes the calculation of the cost of living, either the use of the percentage change in California per-capita personal income from the preceding year, or the use of the percentage change in the local assessment roll from the preceding year for the jurisdiction due to the addition of local non-residential new construction; and
WHEREAS, The change in California per-capita personal income in fiscal year 2020-2021 was 5.73%, while the percentage change in the local assessment roll in 2020 due to the addition of local non-residential new construction was 18.57%; and

WHEREAS, Chapter 1222 of the California State Statutes of 1980 allows the City and County of San Francisco to use the greater of its percentage change in population from the preceding year or the percentage change of the Metropolitan Statistical Area population; and

WHEREAS, The percentage change in population of the City and County of San Francisco was -1.70%; and

WHEREAS, The percentage change in population during calendar year 2020 for the San Francisco Metropolitan Statistical Area was -0.64%; and

WHEREAS, Article XIII B, Section 4 of the California Constitution authorizes voters to approve an increase in the Appropriations Limit for up to four years; and

WHEREAS, Voters approved eight measures, the Tax on Cannabis Businesses (Proposition D-November 2018), the Homeless Gross Receipts Tax (Proposition C-November 2018), the Traffic Congestion Mitigation Tax (Proposition D-November 2019), the Vacancy Tax (Proposition D-March 2020), the Parcel Tax for San Francisco Unified School District (Proposition J-November 2020), the Real Estate Transfer Tax (Proposition I-November 2020), the Executive Compensation Tax (Proposition L-November 2020), and the Business Tax Overhaul (Proposition F-November 2020), that increased the Appropriations Limit by the aggregate sum collected by the levy of these taxes; and

WHEREAS, The aggregate sum collected by the levy of these taxes through fiscal year 2021-2022 is projected to be $1,744,826,544; and

WHEREAS, Article XIII B, Sections 8(h) and 10.5 of the California Constitution establish that the Base Appropriations Limit for a local government is equal to the appropriations subject to limitation in fiscal year 1986-1987; and
WHEREAS, The Base Appropriations Limit for Fiscal Year 2020-2021 is $7,096,395,744; and
WHEREAS, The resulting calculation establishing the City and County of San Francisco's Fiscal Year 2021-2022 Appropriations Limit is:
$7,096,395,744 \times 0.9936 \times 1.1857 + $1,744,826,544 = $10,105,172,121; and
WHEREAS, This matter has been considered at a regularly scheduled meeting of the Board of Supervisors for the City and County of San Francisco; and
WHEREAS, The documentation used to determine the Appropriations Limit for the City and County of San Francisco for Fiscal Year (FY) 2021-2022 was available for public inspection in the Office of the Clerk of the Board of Supervisors for at least 15 days prior to said regularly scheduled meeting; now, therefore, be it
RESOLVED, That the City and County of San Francisco elects to use the percentage change in the local assessment roll from 2020 due to the addition of local non-residential new construction and the percent change in population within the San Francisco Metropolitan Area from the previous year for the purpose of computation of its Appropriations Limit pursuant to Article XIII B of the California Constitution for FY2021-2022; and, be it
FURTHER RESOLVED, That the net appropriations limit for FY2021-2022 is established at $10,105,172,121.

Recommended:

/s/________________________
Ben Rosenfield
Controller
Resolution establishing the appropriations limit for Fiscal Year (FY) 2021-2022 pursuant to California Constitution Article XIII B.

April 20, 2022 Budget and Finance Committee - RECOMMENDED

April 26, 2022 Board of Supervisors - ADOPTED

Ayes: 11 - Chan, Haney, Mandelman, Mar, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

I hereby certify that the foregoing Resolution was ADOPTED on 4/26/2022 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

London N. Breed
Mayor