



# ASSESSOR

SAN FRANCISCO

FYs 2021-22 & 2022-23 Budget

Public Presentation via WebEx

February 12, 2021

# Overview

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- Introduction to the Assessor-Recorder
- Revenues and achievements
- FY 2021-22 & 2022-23 Budget

# Office of the Assessor- Recorder



❖ California State function (except transfer tax)

❖ Major Office Responsibilities

✓ Assess property

✓ Record documents

✓ Grant exemptions

# Department Divisions

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## RECORDER

- 200,000 documents processed annually.
- Issue Marriage Certificates.
- Collect transfer tax.

## TRANSACTIONS

- Review sales transactions for assessability.
- Process transfers between legal entities.

## REAL PROPERTY

- Locate, map and appraise value of real property, defend assessment appeals..

## EXEMPTIONS

- Grant annual exemptions to homeowner's, non-profits, hospitals, schools and other educational organizations.

## PERSONAL PROPERTY

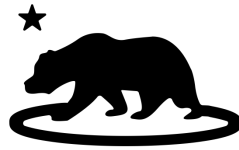
- Locate and assess business personal property such as machinery, equipment and leasehold improvements.

# Assessor's Contribution to General Fund Revenue

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Federal funding  
9.6%



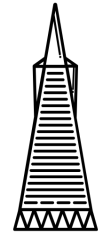
State funding  
12.3%



Business taxes  
13.3%



Other local taxes  
10.6%



Property tax  
32.6%

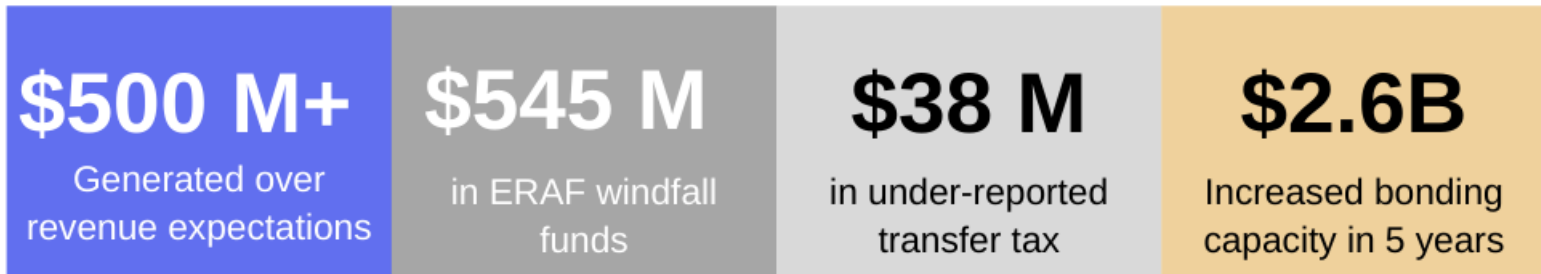
\$3.6 B in property tax revenue goes to the City's general fund (\$2 B), along with public education, transportation and other public services (\$1.6 B).

Source: SF Controller's Office Budget and Appropriations Ordinance FY2020-21 and FY2021-22

# Assessor's Office Recent Successes

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## By the numbers



- Winner of Good Government Award 2020 (SPUR)
  - Closed decades old backlog for first time in 25 years!
  - This means taxpayers are no longer burdened with multiple years of “catch up” bills.
- In 2020, ASR added \$20B in assessed value to the roll resulting in \$239M in revenue for the general fund.
- Recorder Modernization System successful go-live in August 2020
- Property Assessment System Phase I successful go-live January 2021

# Budget Focus

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- Maintaining our Mission and Objectives
  - Keep pace with assessment appeals
  - Standardize processes for fairness and equity
- Securing our Technology Systems
  - Property Assessment and Tax System

# Racial Equity Focus

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- The Assessor's Racial Equity Action Plan published in December 2020 recommends advancing racial equity internally in six different areas:
  - Hiring and Recruitment
  - Retention and Promotion
  - Discipline and Separation
  - Diverse and Equitable Workforce
  - Mobility and Professional Development
  - Organizational Culture of Inclusion and Belonging



# Five Year Comparison

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	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22 <i>Baseline</i>	FY 2022-23 <i>Baseline</i>
Revenue Contribution	\$3.0B	\$3.3B	\$3.6B	<i>tbd</i>	<i>tbd</i>
Exemptions granted	\$12.5B	\$16B	\$18.9B	<i>tbd</i>	<i>tbd</i>
ASR Budget*	\$43.9M	\$42.1M	\$39.1M	\$35.6M	\$36.5M
General Fund Support*	\$33.2M	\$35.0M	\$31.4M	\$28.4M	\$28.8M
Total FTE	196	196	183	184	180

\* ASR Budget includes expenses for two systems projects: the Property Assessment System project for the Assessor's Office and the Property Tax System for the Treasurer & Tax Collector's Office and Controller's Office.

# Department Baseline Budget

	2020-21 Approved	2021-22 Baseline	2022-23 Baseline	Change from FY21	Change from FY22
<b>Total Budget (\$ in millions)</b>	\$39.1	\$35.6	\$36.5	(\$3.5)	\$0.9
<b>Total FTE</b>	182.69	183.59	179.58	(4.14)	(0.27)
Salaries	16,763,976	17,839,084	18,711,339	1,075,108	872,255
Mandatory Fringe Benefits	7,726,796	8,217,052	8,256,860	490,256	39,808
Indirect Costs	261,831	261,831	261,831	-	-
Non-Personnel Services	1,531,516	1,460,841	1,460,841	(70,675)	-
Materials & Supplies	142,855	152,034	152,034	9,179	-
Capital Outlay	-	-	-	-	-
Interdepartmental Services	2,984,642	2,889,627	2,889,627	(95,015)	-
Property Assessment System *	9,693,815	4,736,633	4,736,633	(4,957,182)	-
<b>Total Uses</b>	<b>39,105,431</b>	<b>35,557,102</b>	<b>36,469,165</b>	<b>(3,548,329)</b>	<b>912,063</b>

\* Total Budget includes expenses for two systems projects: the Property Assessment System project for the Assessor's Office and the Property Tax System for the Treasurer & Tax Collector's Office and Controller's Office.

# Mayor's Reduction Target



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- Reduce General Fund Support to ASR by \$1.6M
  - from \$28.4M in FY 2021-22 the baseline budget
  - to \$26.4M in FY 2021-22
  - to \$27.2M in FY 2022-23
  
- Submit a contingency reduction of \$0.5M in ongoing general fund cuts.
  
- We are exploring options to reduce the budget without impacting staff and operations including
  - Increase Recorder Revenue
  - Utilizing interdepartmental services
  - Reduce funding for positions that will not be filled

# Challenges Ahead

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- Potential reduction in assessed roll value
  - Informal review of condominium properties for possible temporary reduction in assessed value.
- Concerning increases in assessment appeals and revenue-at-risk

	FY 2018-19	FY 2019-20	% Change
Appeals	1,106	2,173	96% 
Revenue-at-risk	\$186,202,995	\$382,652,873	106% 

# Next Steps

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- ❑ February 22 - Submission to Controller and Mayor
- ❑ June 1 – Mayor’s Proposed Budget
- ❑ June to July – Board Review of Budget
- ❑ By August 1 – Adoption of the Final Budget

# Adding Your Voice

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- Public comment can be given today by calling **+1-415-655-0001, Access code: 146 724 0902**
  - Please make sure to state your name clearly
  - Comments will be limited to two minutes.
- Written comment can be submitted on our website at *[sfassessor.org/budget](https://sfassessor.org/budget)*

# Thank You!

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