

2018

OFFICE OF THE ASSESSOR-RECORDER  
CARMEN CHU, ASSESSOR-RECORDER

ANNUAL

R E P O R T

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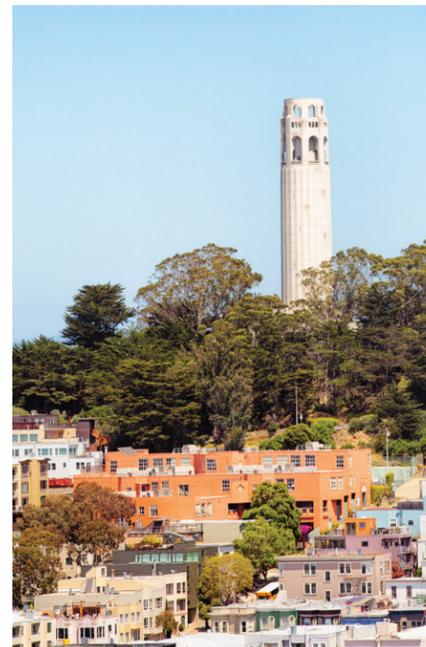
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## MESSAGE FROM THE ASSESSOR CARMEN CHU



As Fiscal Year 2017-2018 draws to a close, I reflect upon the extraordinary accomplishments and major milestones we have achieved over the last few years. I am proud to lead a dedicated team who has embraced new technologies and smarter business practices to make a meaningful difference for our customers and our City. Together, we are delivering real results for San Francisco - results that allow our City to meet the immense challenges and opportunities of the day.

Last year, San Francisco's total taxable property value grew by 10.8%, topping California's 58 counties. In the last two years alone, our total value has grown by over 20% - representing a significant increase in property tax revenue in a relatively

short amount of time compared to historical growth. Much of this growth is fed by new construction activity in the City and a continued healthy market for San Francisco properties. Last year, new construction added \$11 billion in new assessments in the City and we collected \$302 million in transfer taxes from over 6,000 ownership transactions.

Cumulatively, these results have had a direct impact on San Francisco's ability to maintain operations and expand services in areas like education, public safety, homelessness and affordable housing. In fact, over the last five years, our Office has identified close to \$40 million in underreported transfer taxes and has cumulatively met and **exceeded** revenue expectations by over a half a billion dollars!

### Raising the Bar on Production

Critical to our success has been raising the bar on service and expectations when it comes to timely assessments. When I became the Assessor a few years ago, one of our key challenges was a persistent backlog in assessment cases exacerbated by the Great Recession. As soon as assessments were worked, new assessments and appeals came in outpacing our capacity. The result was assessments that were years behind, negatively impacting taxpayers and the City's ability to collect. Over last few years, we've consistently focused on bringing this gap to a close by implementing a series of strategies to overhaul our work. By employing smarter resource allocation, using data and regression tools for expedited enrollments and holding to clear production metrics, our Office closed the fiscal year with a 3-month backlog as opposed to three year backlog when I started. Assessment appeals are down 84% from 7,421 open appeals cases at the 2013 fiscal year end. In the coming year, our goal is to close the roll on time for the first time in over 25 years!

### Proactive Partners in Affordable Housing

Despite the lowest unemployment rate in San Francisco history, many working families are still struggling. A significant component of this is the high cost of housing in the City and surrounding Bay Area. And while market factors around housing policy and development are complex, our Office is finding ways to be a part of the solution.

One of the ways in which we are helping is by removing the bureaucratic barriers to parcel mapping and subdivisions that can slow down the pace of building and financing for housing projects. Over the last few years, we have worked intently with partner departments, like Public Works to streamline our parcel management process, and the Port of San Francisco and Office of Community Investment and Infrastructure to track large

housing developments. By combining resources and coordinating information early, we mitigate costly delays that impact the delivery of new housing for San Franciscans. We believe efforts like these, and our direct work with affordable housing providers and community land trusts, can help move projects forward more quickly and provide financing or tax exemptions critical to their projects' completion.

### Resources to Working Families

We are also bringing community partners together with working families to provide practical financial planning and resources to be successful. This year, we launched a series of neighborhood financial education workshops across the City called the Family Wealth Forum. Recognized in 2018 by the California Association of Public Information Officials with an Award of Excellence, the Family Wealth Forum is a one-stop shop for families with questions around financial and estate planning and property taxation. So far, we have served over 1,000 families and individuals, including mostly seniors, women and those with language barriers.

As a daughter of immigrants, the importance of an inclusive government that serves our City's rich diversity is core to how I run this office. This year we succeeded in co-drafting and passing State legislation, which extends property tax benefits to locally registered domestic partners who did not have the ability to marry. We developed a series of public educational videos and fact sheets to help over 211,000 property owners and over 48,500 business owners understand complex property tax laws - all translated for language access. These communications earned our office the 2018 CAPIO Communications Excellence Award.

### Embracing New Technology and Transparency

Finally, I close by recognizing our shift within the last five years to modernize tools that improve efficiency and provide transparency. By Fiscal Year 2018 we accomplished our goals of transitioning and safeguarding close to 3 million images to searchable digital records that are secured for disaster recovery, including vital real estate records, maps and ownership information. We have automated business statement filings, implemented online recording of public documents and continue to advance our public portals to provide access to real time information directly to you on our website. Internally, we have replaced cumbersome paper time-keeping practices with more transparent electronic time-keeping tools and calendars, developed automated production reports across all divisions and deployed advanced printing technologies to minimize paper waste.

Even more exciting are the milestones we have reached to overhaul our City's property tax and public records systems. Identified as one of the City's top technology initiatives, we completed a rigorous process to identify system requirements with the Controller and Tax-Collector and finalized a competitive procurement for the replacement of our decades old property tax system. In the coming years, this system overhaul and the migration of critical data will be a focus and priority of our operation. In addition, we are excited to revamp our public records system for improved functionality and processing. Every year over 162,000 documents, including public marriage licenses and deeds are recorded with our office. Modernizing the public records system will ensure we maintain the integrity of these public records well into the future.

It has been an honor and privilege to serve San Franciscans and to lead the talented staff of the Assessor-Recorder's Office. I look forward to a productive year ahead.

Sincerely,

A handwritten signature in black ink that reads "Carmen Chu". The signature is written in a cursive, flowing style.

Carmen Chu  
Assessor  
City & County of San Francisco

## CORE RESPONSIBILITIES

We are responsible for carrying out the property tax-related functions governed by the State Constitution and state and local laws.

Our core responsibilities include locating all taxable property in San Francisco (CCSF), identifying ownership, establishing a taxable value, and applying all legal exemptions. Property broadly includes both real property (land and improvements) and personal property owned by businesses. We are also responsible for recording documents and maintaining those public records. Over 400 different types of documents are recorded annually, including documents like deeds of trust, reconveyances, liens, and public marriage licenses. We also collect any transfer tax due upon a change in property ownership.

## OUR WORK

### Travel with us through the different functions of our office!

#### Public Service

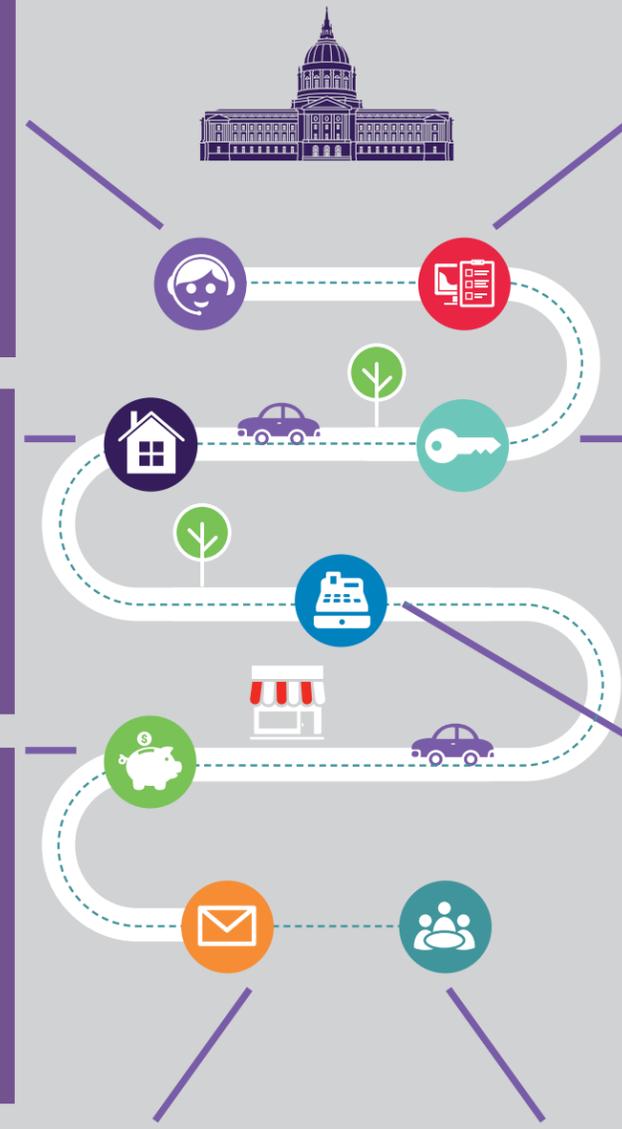
Many people start with our Public Service team. Here we serve close to 43,000 people per year through walk-ins, phone, email, and 311 requests. Most of our customers are looking for public documents like marriage certificates or deeds, or wanting to understand their property taxes.

#### Real Property

If there is no tax exclusion and a transaction triggers reassessment, the action makes its way to Real Property for valuation. Our Real Property team valued over 25,000 change in ownership and new construction cases last year.

#### Exemptions

After the property value is set, our Exemptions team applies eligible tax exemptions to reduce the assessed value. This year, we granted over \$13 billion worth of exemptions to benefit charitable organizations, homeowners and veterans.



#### Recorder

Some of our customers come to our office to record public documents. Our Recorder team records over 160,000 public documents annually including deeds, maps, and marriage licenses. When deeds are recorded, we may collect transfer tax and it kicks-off our assessment review.

#### Transactions

Over 28,000 recorded documents that indicate a change in ownership makes its way to this division for review. Our Transactions team updates ownership information and apply property tax exclusions to qualified properties.

#### Business Personal Property

Business Personal Property team works with over 48,500 business owners to account for items like machinery and equipment used to run businesses in San Francisco.

#### Final Assessment

Property owners are notified of their final taxable value.

#### Appeals

If property owners disagree with the value, they can file a formal appeal with the independent Assessment Appeals Board. In 2018, we closed over 1,600 appeals.

# ACCOMPLISHMENTS

REVENUE

**\$3,000,000,000**  
generated in property tax



**\$302 million**  
collected in transfer tax



**\$35 million**  
Underreported transfer tax and penalties identified through audit program



**10.8% increase** in total property assessment roll in one year,  
among the highest across CA counties



**84% decrease** in assessment appeal cases compared to five years ago



RESULTS



Value over  
**211,000 properties**  
in San Francisco

# IMPACT BY THE NUMBERS

COMMUNITY BENEFIT



**64%**  
of tax-exempted value granted to community non-profits

**\$12.5 billion**  
in tax exemption value granted to charitable organizations



Worked with  
**48,500**  
business owners to identify their taxable property



served **43,000**  
customers



through walk-ins, phone, emails and 311 requests per year

**88,000 homeowners and veterans**  
received tax reductions on their homes



**943,000**  
page views  
on our newly designed user-friendly website



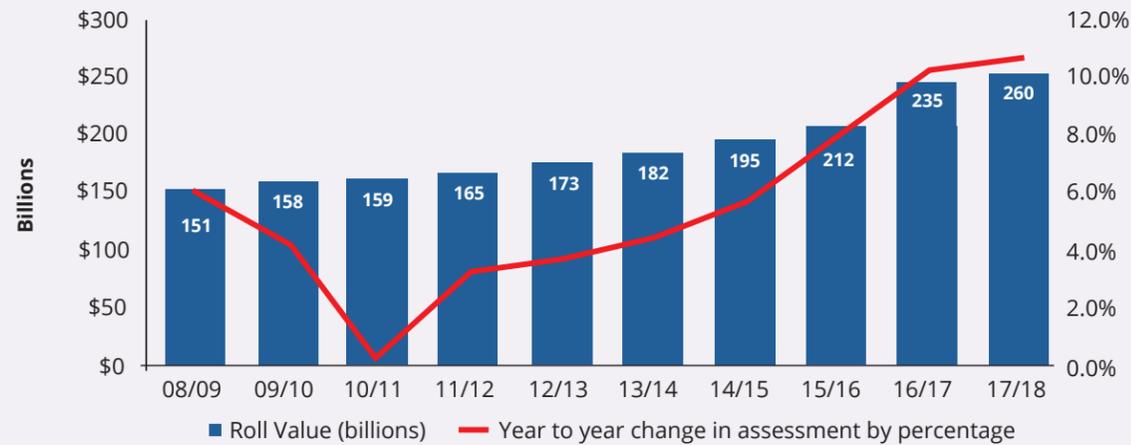
CUSTOMER SERVICE

# LEADING CALIFORNIA IN PROPERTY TAX ROLL GROWTH

Fueled by continued strength in the real estate market, rapid new construction, and our office's ability to capture assessments more quickly. The total assessment roll of our seven-mile by seven-mile City grew by 10.8%!

At a cumulative value of \$260 billion, the percentage increase is the highest among the 58 counties in California. This translates to close to \$272 million in increased revenues compared to the previous year.

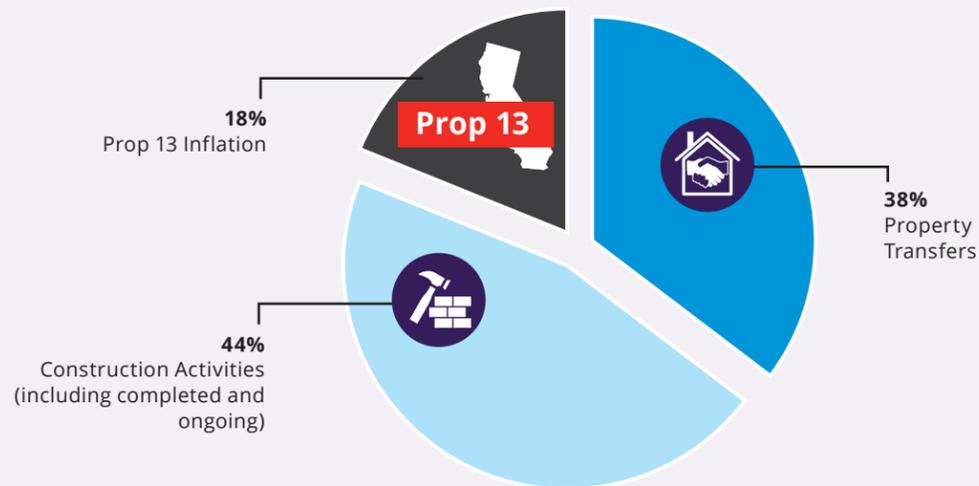
## Total Assessment Roll



Source: Office of the Controller, City & County of San Francisco

## What Drives Assessment Growth?

The over \$25 billion growth was largely generated through new construction activity at 44%. Reassessments as properties transfer and the annual inflationary increases under Proposition 13 contributed 38% and 18%, respectively.



## Where Your Property Tax Dollar Goes?

The \$260 billion in total assessed value is the basis used to estimate property tax revenue. With a tax rate of 1.163% (rate for FY 2018-19), it means roughly \$3 billion in property tax revenue will be collected to support important public services.

For each \$1 collected, here is where it goes:



65¢ CITY SERVICES	34¢ SCHOOLS	1¢ OTHER
<b>INCLUDING:</b>	<b>INCLUDING:</b>	<b>INCLUDING:</b>
<ul style="list-style-type: none"> <li>Public Safety: Police, Fire</li> <li>Recreation &amp; Parks</li> <li>Libraries</li> <li>Community Health</li> <li>Human Welfare &amp; Neighborhood Development</li> <li>Public Works (street cleaning)</li> <li>Family Support Services</li> </ul>	<ul style="list-style-type: none"> <li>San Francisco Unified School District (SFUSD)</li> <li>San Francisco Community College District (SFCCD)</li> <li>Education Revenue Augmentation Fund (ERAF, supporting California public school system)</li> </ul>	<ul style="list-style-type: none"> <li>Bay Area Rapid Transit District (BARTD)</li> <li>Bay Area Air Quality Management District (BAAQMD)</li> </ul>

\*Source: Office of the Controller, City & County of San Francisco

## CHAMPIONING CUSTOMER SERVICE AT CITY HALL AND IN YOUR NEIGHBORHOOD

At the Assessor-Recorder's Office customer service is at the forefront of our work, not an after-thought. That's why our public service team stands ready to serve! Last year, over 42,000 customers contacted our office through in-person visits, phone calls, emails, and 311 requests. Over 90% reached us through phone calls or in-person office visits.

As part of our commitment to inclusive and accessible services, our public service team is trained to accommodate limited-English proficient taxpayers and have a direct, on-demand line to translation services. According to our annual customer service survey, close to 95% of our customers rated our service as excellent!



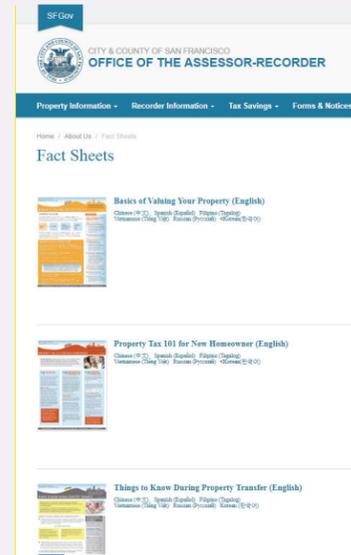
### Interesting Fact:

Close to 30% of all inquiries are requests for official copies of marriage certificates. In addition to marriage certificates, we maintain vital public records like deeds and liens.

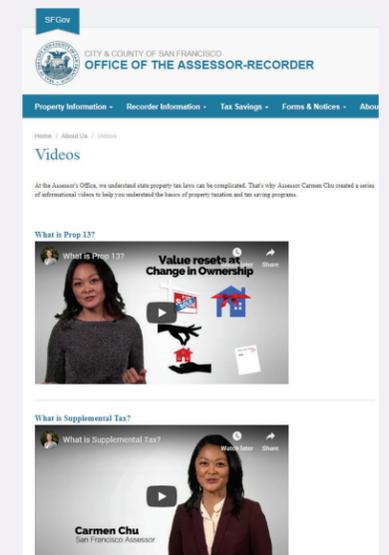
## Access Online Resources through User-Friendly Website

In addition, customers can learn more and obtain information directly through our website 24 hours a day. Annually, over 943,000 pageviews and touchpoints are initiated through our website!

This year, we introduced a new series of educational videos online covering topics such as Basics of Proposition 13 (1978), Understanding Supplemental Taxes, Tax Saving for Families and Seniors on our website. These videos are available with Chinese and Spanish subtitles. On top of the online videos, we have made available answers to the ten most common topics and through our community fact sheets. These fact sheets have also been translated to numerous languages to ensure improved access. See the links below to access these resources.



Community Fact Sheet Series in six languages at <https://sfassessor.org/about-us/fact-sheets>



Online Video Series with subtitles at <https://sfassessor.org/videos>

## In Your Neighborhood

At the Assessor-Recorder's Office, we understand that asking questions in-person may be preferred especially when it comes to complicated tax laws. Partnering with local housing nonprofits and neighborhood groups we have attended over 21 community meetings and workshops in the last year to be on-hand as a resource to you in your neighborhoods. If you would like us to attend a neighborhood meeting to present the work of our office and help provide information to residents, please contact us directly at 415-554-4734.

This fiscal year we also successfully launched our Family Wealth Forum. Recognized in 2018 by the California Association of Public Information Officials with an Award of Excellence, the Family Wealth Forum is a one-stop shop for families with questions around financial and estate planning and property taxation. The free event offers multi-lingual workshops, one-on-one counseling with experts, and staffing from a variety of service providers in the area of affordable housing, credit counseling, education planning, etc. So far we have held Family Wealth Forums in multiple locations across the City, including at City College on Mission Street, City College on Ocean Avenue, Lincoln High School and the Eureka Valley Recreation center. Over 1,000 families and individuals, mostly seniors, women and those with language barriers, have been connected to resources through the Family Wealth Forum.



Financial Education Workshop at Family Wealth Forum



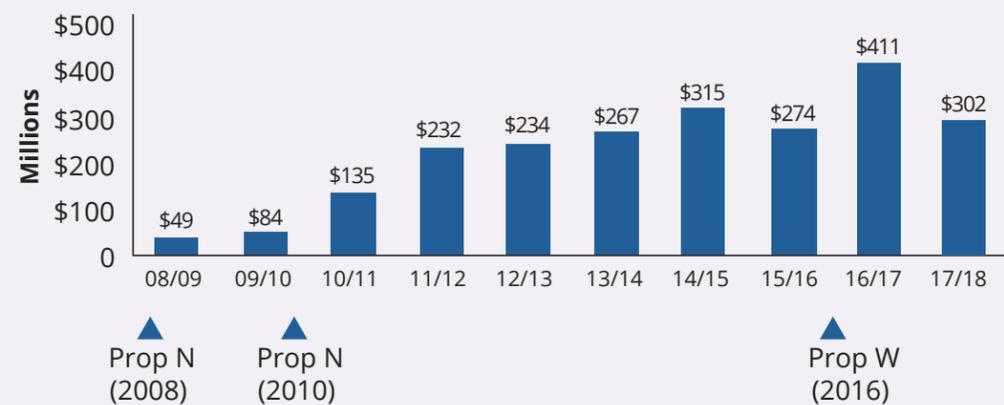
Tabling at Homeownership SF annual housing expo.

## TRANSACTION IN THE MARKET

Our office has a unique window into the real estate market as we are often the first to see purchase transactions when these transactions are publicly recorded. As part of our work, we collect transfer tax when real property is transferred to new ownership.

In fiscal year 2017, San Francisco saw the highest level of transfer tax collection in history at \$411 million dollars. This past year, we observed a settling in transfer tax collections as fewer large value transactions occurred. In FY18 we collected \$302 million dollars in transfer taxes as the chart below illustrates.

### Transfer Tax Revenue Over Time



Prop N (2008): Created a new tier for transfers above \$5 million  
 Prop N (2010): Created a new tier for transfers above \$10 million  
 Prop W(2016): Created a new tier for transfers above \$25 million

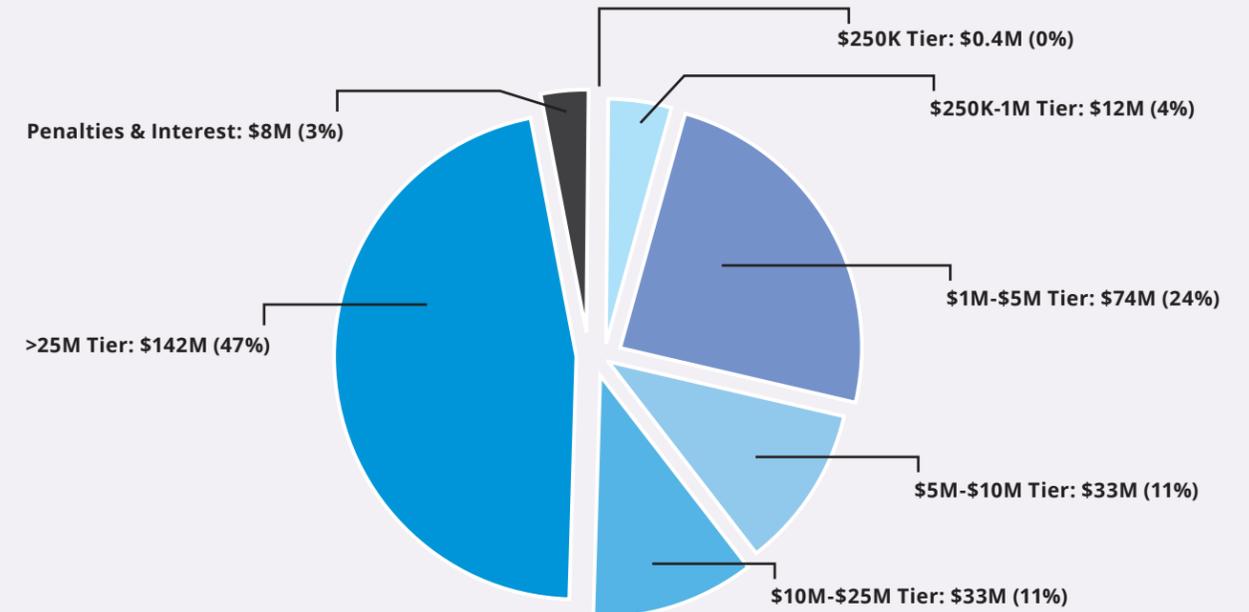
## Transfer Tax Audit Program Continues to Hold Taxpayer Accountable

At over \$300 million, transfer taxes are a significant component of revenue for the City. Over the last few years, our office has worked with the Board of Supervisors to close loopholes and clarify expectations around when transfer taxes are applied. In 2014, our office launched a new transfer tax audit program to review and confirm high value sales, especially among legal entity transfers. Since implementation, over \$35 million in underreported transfer tax, penalties and interest has been identified.

## Transfer Tax Revenue by Tax Tiers

Interesting, of all the transfer tax revenues collected, 58% was disproportionately generated by transfers among higher value properties, defined as properties valued at \$10 million or more. This is not surprising given that San Francisco's transfer tax rates are structured with higher value properties subject to a higher transfer tax rate. For comparison, properties worth more than \$10 million accounted for 74% of total transfer tax revenues in FY17, again confirming that the drop in transfer tax revenues year-to-year is a direct result of changes to high-value transfers.

### FY17-18 Transfer Tax Revenue by Property Value Tax Tier

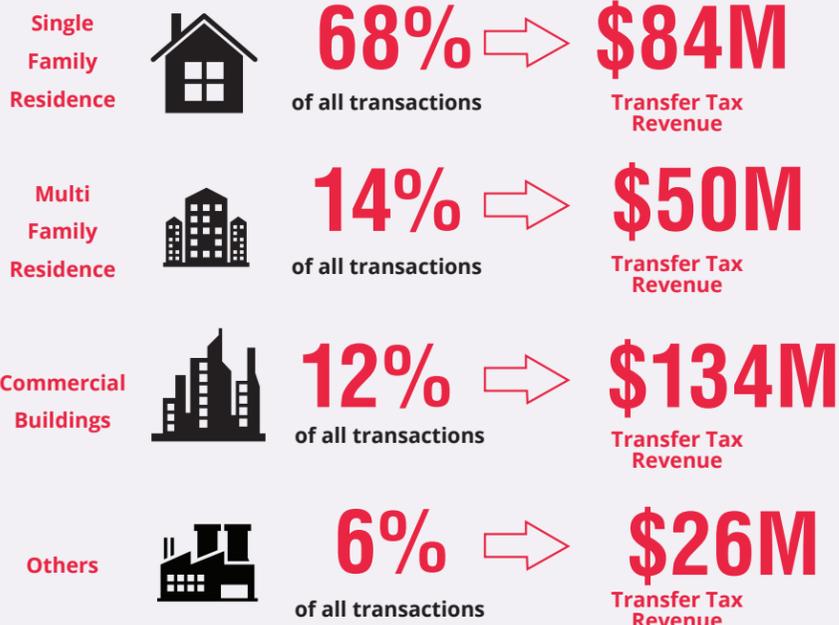


# Drivers for Transfer Tax Collections

The total number of change in ownership transactions in San Francisco has hovered around 9,400 for the past two years. However, there has been a reduction in the total number of transactions occurring for commercial properties. According to our records, there were 1,190 commercial transactions in FY18, compared to 1,287 transactions the year before in FY17, representing a 7% drop.

Since commercial properties tend to be much higher in assessed value, there has been an impact on total transfer tax revenue collected. Year-over-year, transfer tax revenue generated by commercial transactions has dropped by \$96 million dollars moving from \$230 million to \$134 million.

## Transactions and Transfer Tax Revenue Breakdown by Property Types



It is important to note that the number of transactions among residential properties, including single family residences (single family homes, condominiums) and multi-family residences (flats, apartments) dominates, comprising over 80% of all sales (equivalent to roughly 7,700 transactions).

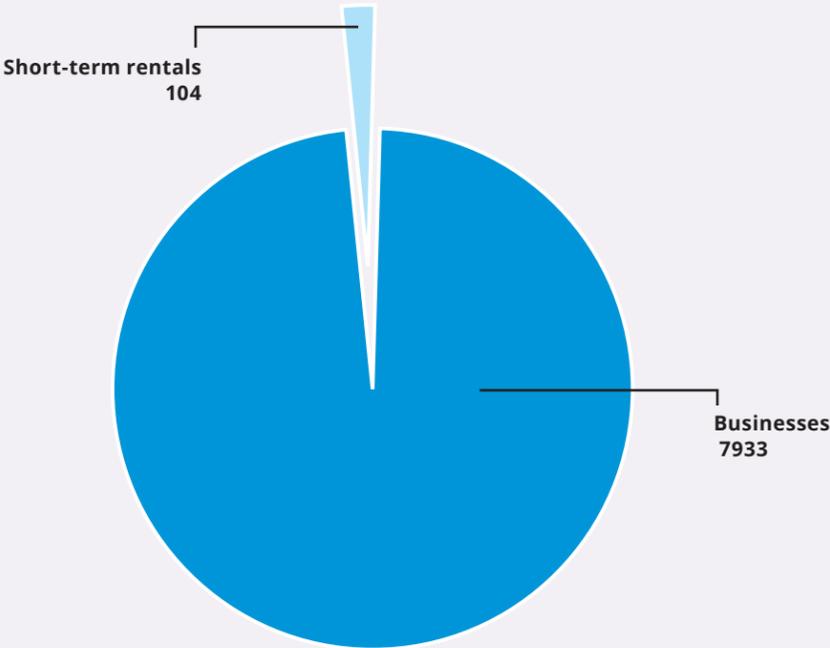
# MAKING IT EASIER TO DO BUSINESS WITH US

Aside from real property like land and improvements, other property, such as property used to run businesses are also taxable under State law. Annually, we work with over 48,500 businesses to help them report items they use to conduct business, such as furniture, machinery or equipment. This year, that value increased by \$393 million, for a total of \$14.4 billion in taxable business personal property.

## Eliminated Duplicative New Business Registration Process

Beginning in late 2016, our office spearheaded an effort to remove redundancy and obstacles for our small businesses and to ensure we communicate better with business taxpayers. By pursuing data sharing agreements, we no longer require businesses who already file with the Treasurer Tax-Collector to separately register with our office and we are accessing more accurate data. For example, by connecting our records with the Treasurer Tax-Collector's unique assigned business account numbers, we are better able to track when businesses move or make changes rather than issuing multiple filing requirements and bills for the same entity. Through our combined efforts to reflect accurate records, we added 8,000 more new businesses to the assessment roll this year.

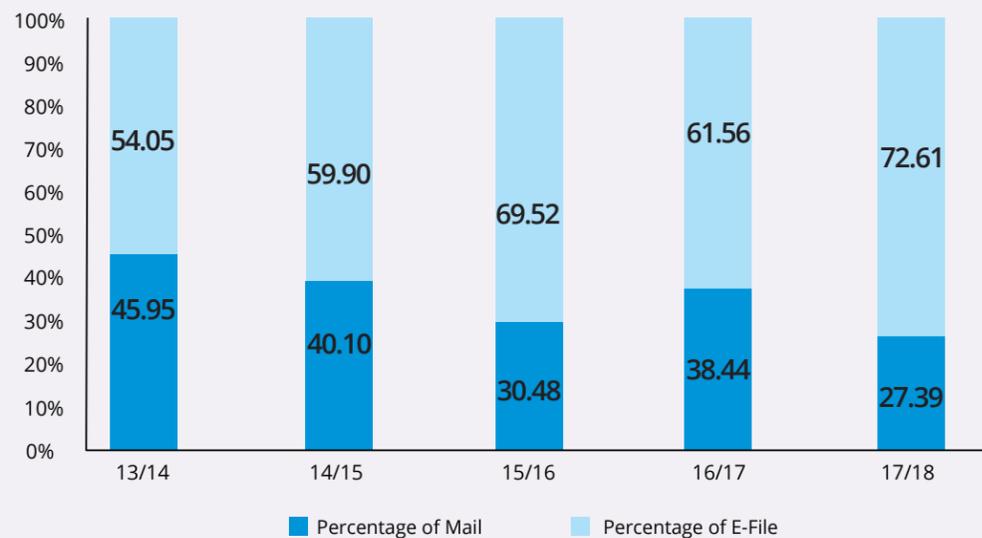
New businesses discovered for 2018



## Convenience through Online Filing Option

Currently over 70% of businesses update their annual business personal property filings through our electronic-filing portal. We launched online filing so that businesses can provide information directly online, saving time, entry error, postage costs, and the aggravation of lost mail. E-filing users also have the added benefit of viewing a summary of their previous year's filing before completing a new form. This year, 13,000 businesses filed online.

### Percentage of Form 571-L Business Property Statements



## New Easy Form for Short-Term Rentals

San Francisco has led the state in enacting laws governing short-term rentals in the City. In previous years, our office has worked with short-term rental businesses on their requirement to report and file like other businesses. This year, we further streamlined the administration burden by developing a new form (Form 571-STR) with the State Board of Equalization that is more concise and relevant to this emerging industry. Approximately 1,200 short-term rentals file statements with our office.

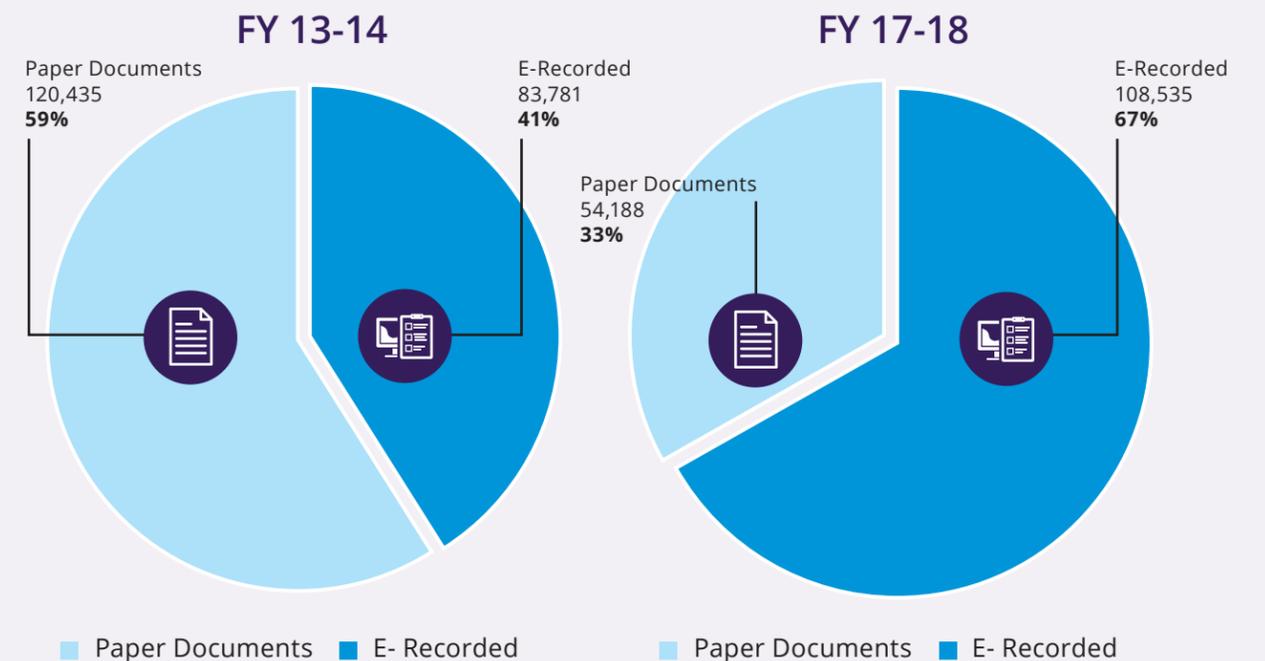
## ONLINE RECORDING REACHES NEW MILESTONE

This year we recorded 162,723 documents into the public record including items like public marriage licenses and property deeds. A vast majority of those documents are securely submitted electronically through our online recording portal, adding convenience and efficiencies for our operations and submitters. Since the launch of e-recording, we have seen a steady increase in the number of electronic submissions. In FY18, for example, 67% of documents were recorded online compared to 41% in FY14. We expect this number to increase in the coming years as the State finalizing and broadens the universe of entities eligible to submit online.

Remember, currently title companies, banks and escrow agents have to be certified by the California Department of Justice before being able to submit documents electronically. And because of the efficiencies online recording provides us, we record all documents electronically submitted before 2pm on the same day!

Many residents ask us why this public recording function is important. In a nutshell, the system of public records helps provide transparency for all of us. Imagine not having a trusted source to verify ownership before you make a big purchase like buying a home from a private party. Or imagine not having a place to verify you have married when you want to designate a beneficiary for medical or social security benefits! Our job is to make sure these public records can be accessed well into the future -- some of our documents date back to 1906!

### Number of E-Recorded versus Paper-Recorded Documents



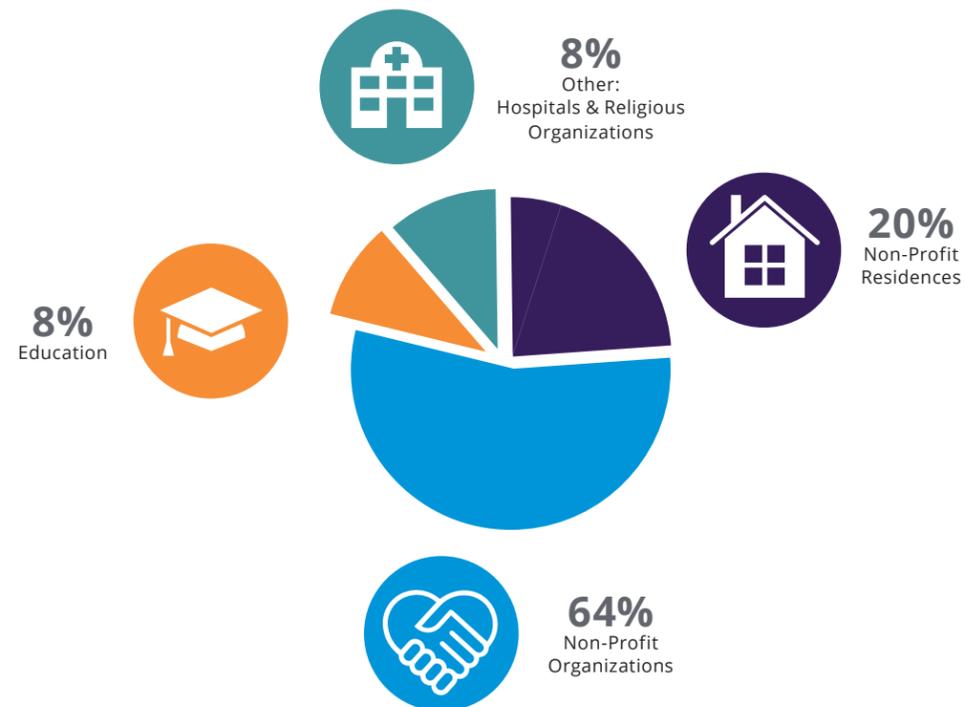
\* E-Recording began in March 2013. Documents were submitted electronically for a full year in Fiscal Year 2013-14.

## \$13 BILLION IN COMMUNITY BENEFITS THROUGH TAX EXEMPTION

Supporting local community organizations through tax exemptions is a direct way in which we help build stronger communities. This fiscal year we granted close to \$12.5 billion in exemptions to support non-profit organizations, religious entities, hospitals and schools. This represents a 39% increase compared to the previous year in which over \$9 billion in exemptions were granted. This increase is largely due to efficiencies we have enacted to more quickly process qualified applications. Using our new document management system, we are now better able to track incoming exemption applications and consolidate related applications together, allowing for efficiencies in processing.

For every \$10 in exemptions granted, about \$2 went towards non-profit residential uses, \$6.50 towards other non-profit organizations, and the remaining \$1.50 towards hospitals and private educational and religious organizations.

### Distribution of \$12.5 Billion Tax Exemption



## Exemptions for Homeowners

The State of California has an exemption program for homeowners and veterans. \$638 million in exemptions were granted to veterans and homeowners in FY18. Roughly 90,000 property owners received a \$7,000 reduction in the taxable value of their home, or roughly \$70-80 in property tax reduction. Approximately \$18 million was granted in veteran exemptions to benefit disabled veterans and their families.

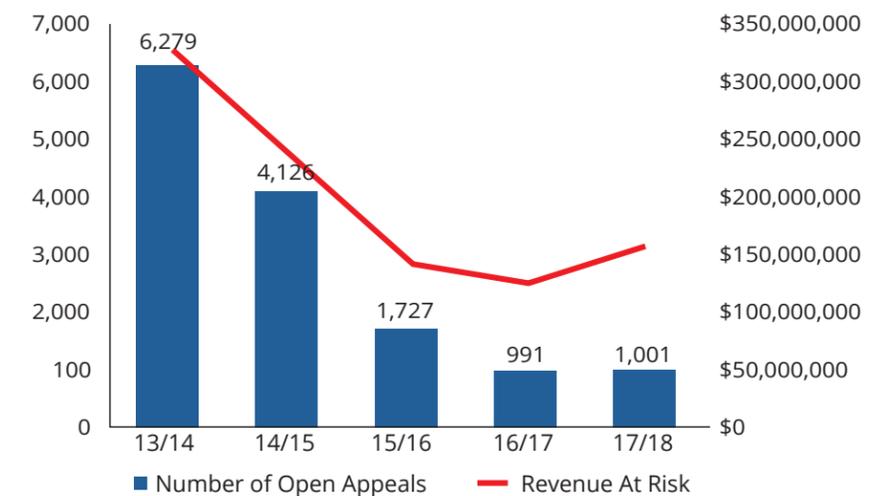
## DRIVING DOWN APPEAL CASES

The assessment appeal process is administered by the Assessment Appeals Board (AAB), an independent body appointed by the San Francisco Board of Supervisors. Our office's role is to review scheduled cases and provide a recommendation on value.

With an improved market and concerted efforts in resolving appeals, the number of open appeals has finally returned to pre-recession levels. With 1,001 appeals remaining open at the end of this fiscal year, the number dropped by a 84% decrease from the 7,421 appeals outstanding at the end of fiscal year 2013.

During the Great Recession, San Francisco saw a record number of assessment appeals filed. With fewer appeals filed and the ability to more quickly resolve outstanding cases, San Francisco has seen a corresponding reduction in revenue at risk, roughly \$167 million when comparing FY13 to the FY18.

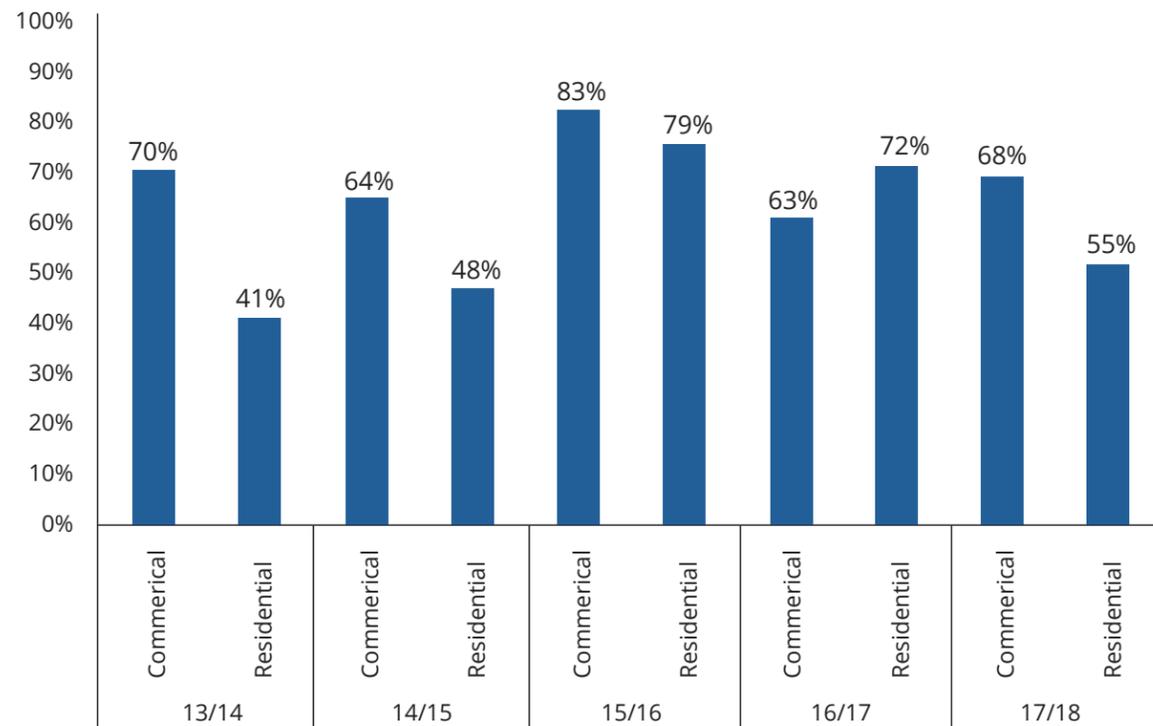
### Number of Open Appeals from FY 2013-14 to FY 2017-18



## Proactive Practices to Close Appeals

One way in which we have proactively managed down active assessment appeals cases has been to engage the Assessment Appeals Board and filing taxpayers in pre-hearing conferences and early exchange of information. Through these proactive measures, our office has been able to arrive at more accurate values and avoid the costly process of preparing for cases that are never heard or cancelled. Now more cases without merit are not filed or withdrawn earlier by taxpayers avoiding costly investment in resources by our office and the Assessment Appeals Board.

Percentage of Withdrawn Appeals from FY 2013-14 to FY 2017-18





# NEIGHBORHOOD DATA

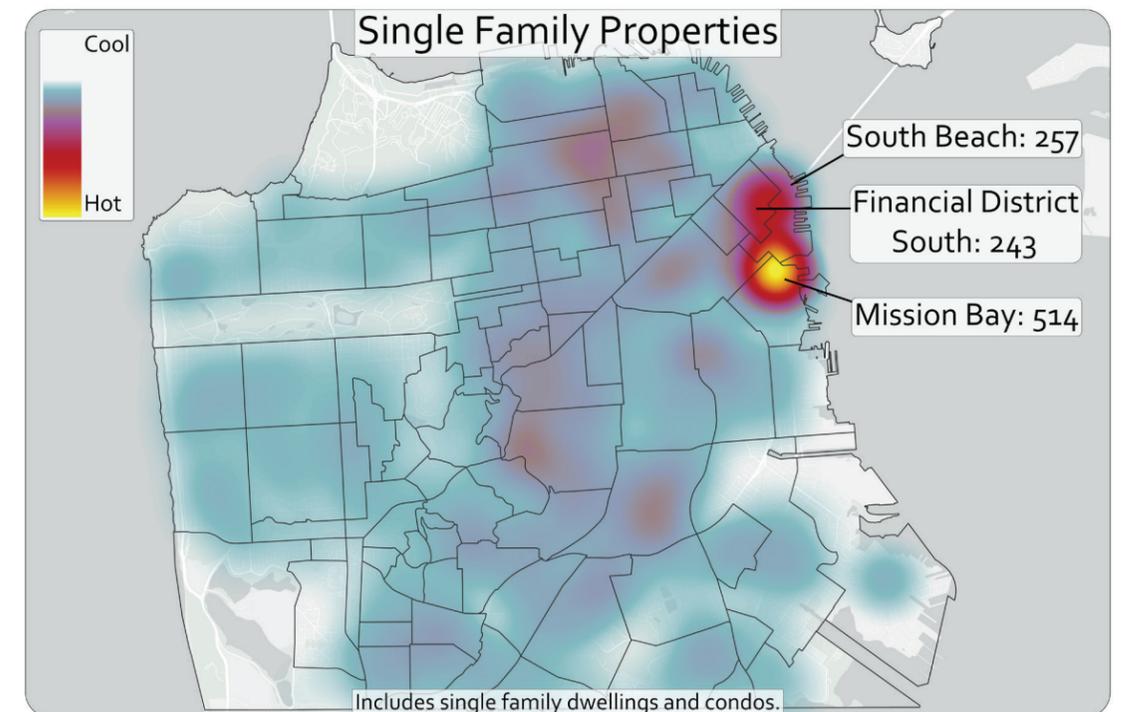
Our office monitors market activity through property valuation and transfer tax collection. Here are some interesting facts we see which paints a picture of real estate movements in our City.

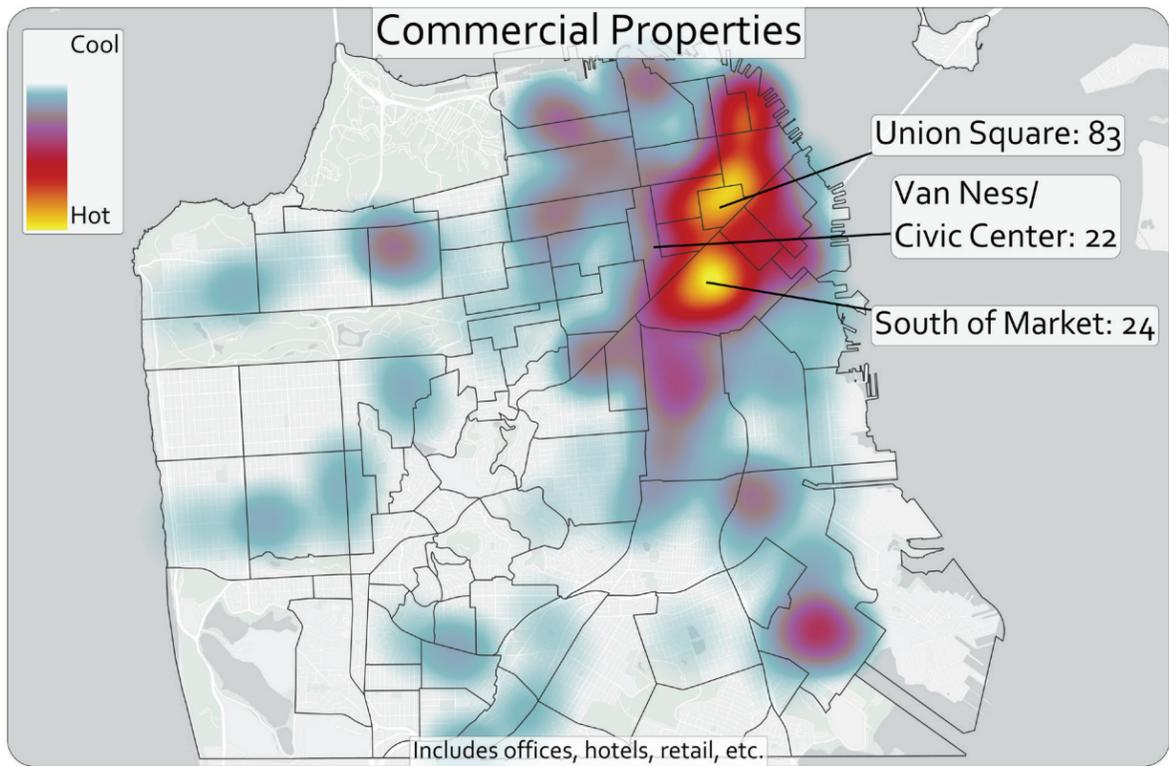
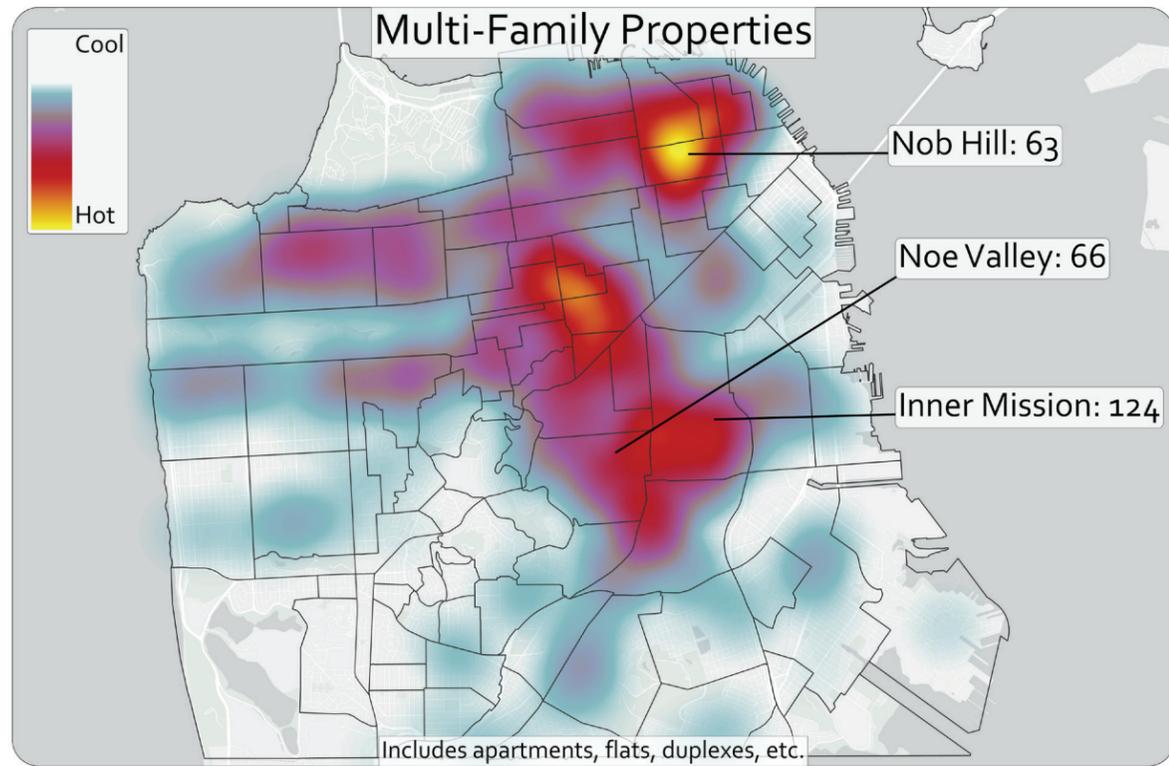
## Hottest Areas for Sales?

**Mission Bay for single family residences!** This year, there were a total of 6,344 ownership transfers among single family residential properties citywide. 8% were located in Mission Bay, followed by South Beach and Financial District South at 4% each.

There were 1,320 sales of multi-family residential properties. The most active multi-family market was in the Inner Mission. Meanwhile, Union Square remains the most active area for commercial property sales, representing 7% of the 1,190 commercial sales citywide.

	1st Neighborhood	No. of Transactions	2nd Neighborhood	No. of Transactions	3rd Neighborhood	No. of Transactions
Single Family	Mission Bay	514	South Beach	257	Financial District South	243
Multi-Family	Inner Mission	124	Noe Valley	66	Nob Hill	63
Commercial	Union Square	83	South of Market	24	Van Ness/ Civic Center	22





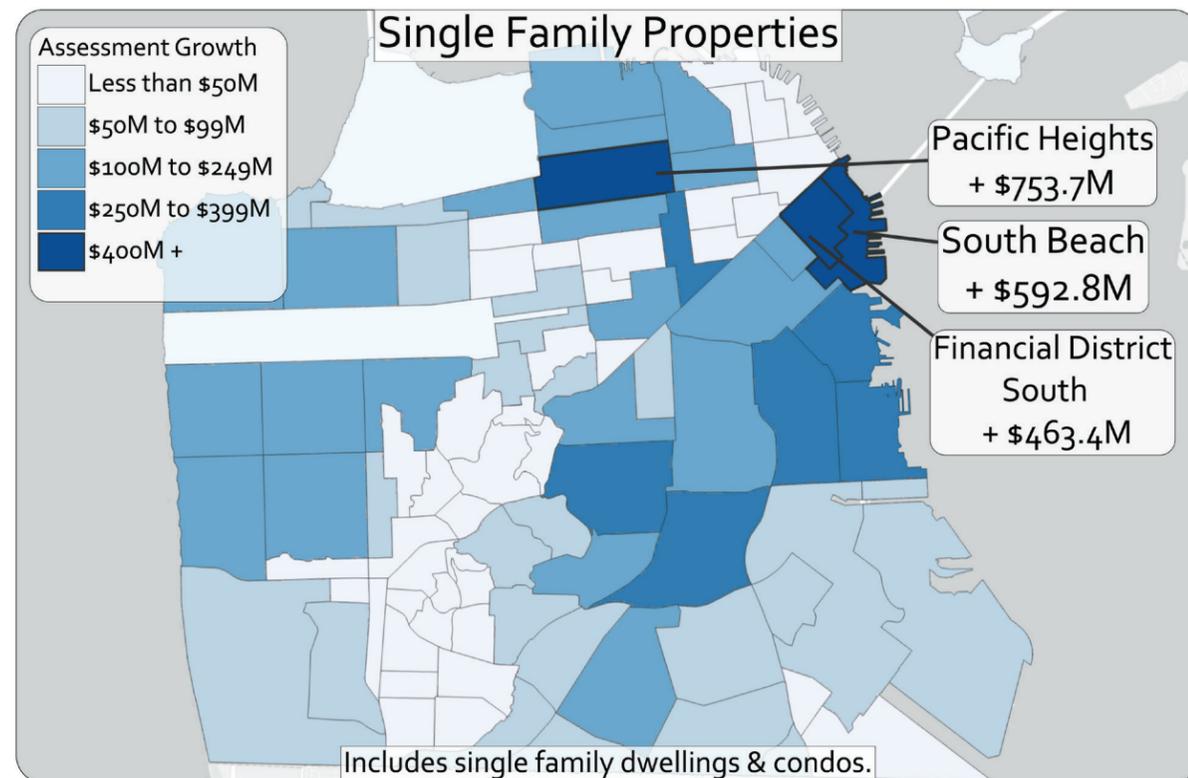
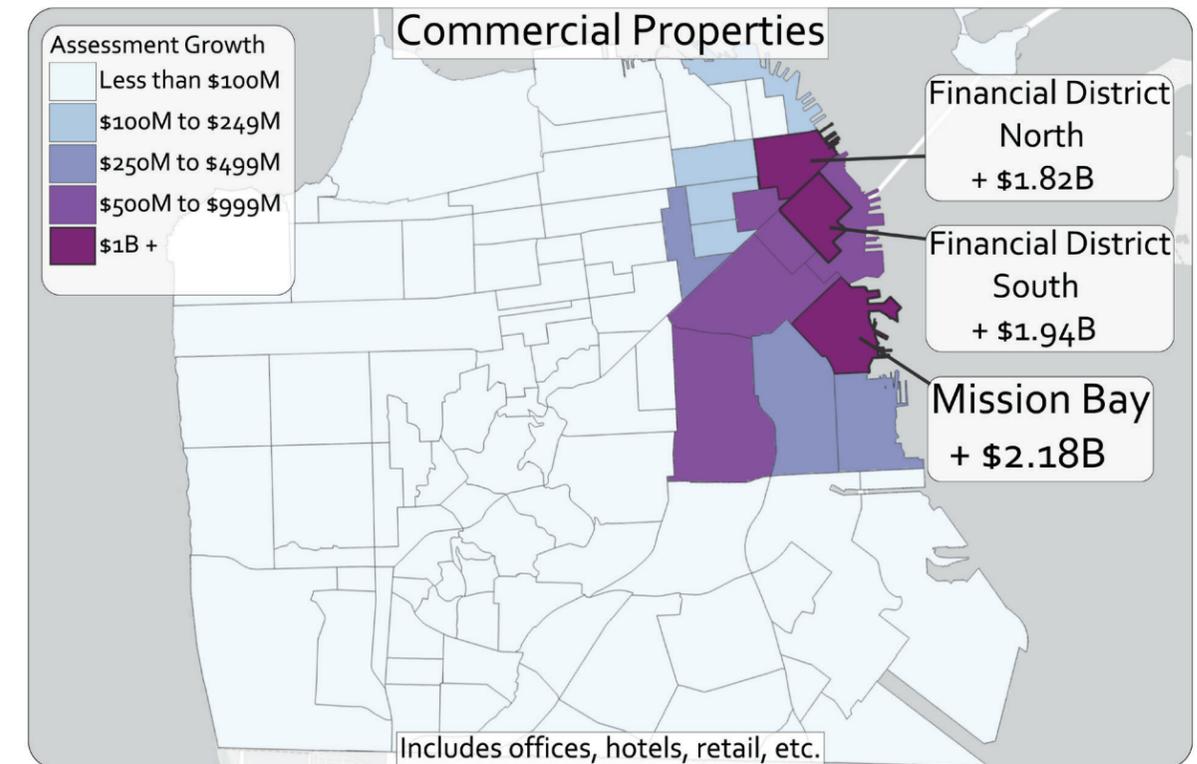
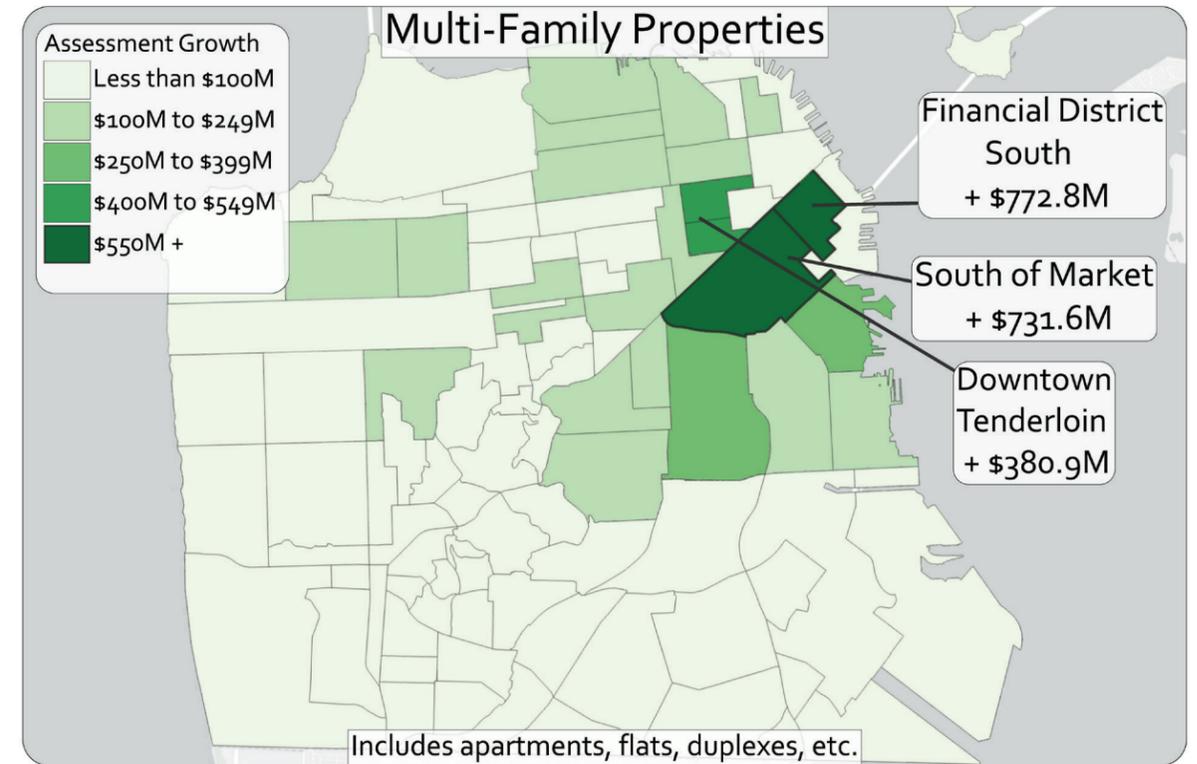
## What Areas Had the Highest Assessment Growth?

Increases to San Francisco's assessment roll is mainly driven by changes in ownership of existing properties, or assessments due to new construction. The areas with the largest growth in assessed value continue to be areas in which there was significant development or changes.

Financial District South continues to lead in overall assessment growth with \$3.7 billion in added value among all neighborhoods. It is followed by Mission Bay and South of Market with \$2.6 billion and \$2 billion in assessment growth, respectively.

It is also important to note that Financial District South is one of the top three neighborhoods with the highest assessment growth in single family, multi-family residential and commercial properties, while Mission Bay ranks first in assessment growth in commercial properties.

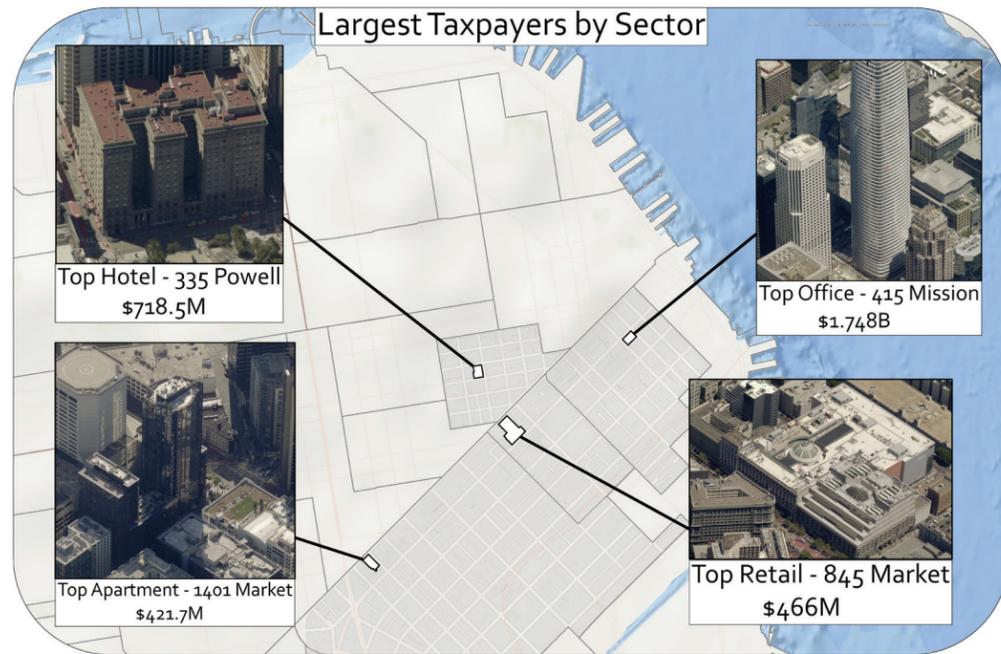
	1st Neighborhood	Added Value	2nd Neighborhood	Added Value	3rd Neighborhood	Added Value
Single Family	Pacific Heights	753.7M	South South Beach	592.8M	Financial District South	463.4M
Multi-Family	Financial District South	772.8M	South of Market	731.6M	Downtown Tenderloin	380.9M
Commercial	Mission Bay	2.18B	Financial District South	1.94B	Financial District North	1.82B



## Who Are Our Largest Taxpayers By Sector?

San Francisco's real property roll is varied and includes a multitude of building types and uses. The map below identifies the properties with the largest assessed values by sectors.

Currently, the parcel with the largest assessed value in San Francisco is the new Salesforce Tower located at 415 Mission Street, followed by 555 California and 101 California.



### Fun Fact:

The Warriors' new Chase Stadium is approximately 12 acres and has been subdivided into eight parcels. The total value of the parcels is just over \$900 million, and this number only reflects partial completion of the new construction.

PROPERTY ADDRESS	ASSESSEE NAME	LAND	IMPROVEMENTS	TOTAL ASSESSED VALUES	TYPE
415 MISSION ST	TRANSBAY TOWER LLC	\$207,595,294	\$1,129,000,000	\$1,336,595,294	Commercial
555 CALIFORNIA ST	HWA 555 OWNERS LLC	\$300,768,467	\$717,650,080	\$1,018,418,547	Commercial
101 CALIFORNIA ST	ELM PROPERTY VENTURE LLC	\$595,243,856	\$389,614,159	\$984,858,015	Commercial
1 MARKET ST	PPF PARAMOUNT ONE MARKET PLAZA OWNER LP	\$243,909,669	\$590,397,538	\$834,307,207	Commercial
301 - 345 POWELL ST	SHR ST FRANCIS LLC	\$431,143,129	\$287,428,752	\$718,571,881	Commercial
50 FREMONT ST	SFDC 50 FREMONT LLC	\$206,795,776	\$482,523,479	\$689,319,255	Commercial
300 16TH STREET	GSW ARENA LLC	\$263,548,334	\$396,418,295	\$659,966,629	Commercial
1800 OWENS ST	KR MISSION BAY LLC	\$102,350,177	\$455,800,000	\$558,150,177	Commercial
55 CYRIL MAGNIN ST	P55 HOTEL OWNER LLC	\$307,373,435	\$204,915,623	\$512,289,058	Commercial
1 FRONT ST	ONE FRONT STREET EAT LLC	\$255,000,000	\$255,000,000	\$510,000,000	Commercial



## How Are San Francisco Parcels Characterized?

Based on the certified roll, there were 211,642 unique parcels identified in San Francisco at the fiscal year end. Approximately 71% of those parcels were single family residential properties, including single family dwellings and condominiums. An additional 17% of parcels are multi-family residential properties, including apartments, flats, and duplexes. Combined, this means that over 88% of San Francisco's parcel count are residential properties. At the same time, residential properties comprise roughly 67% of total assessment value.

Commercial properties, including office buildings, hotels, and retail spaces, account for only 4% of the parcel count, but their share of the City's overall property value is 29%.

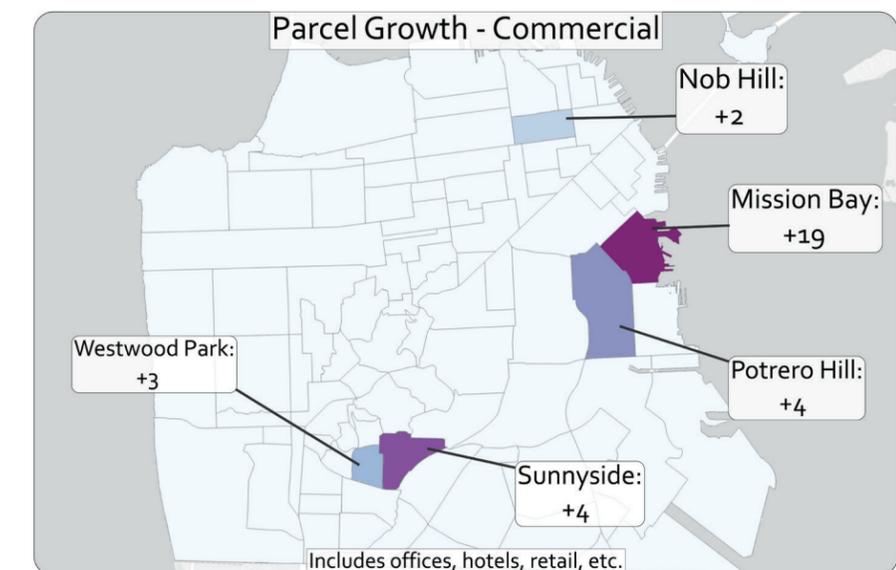
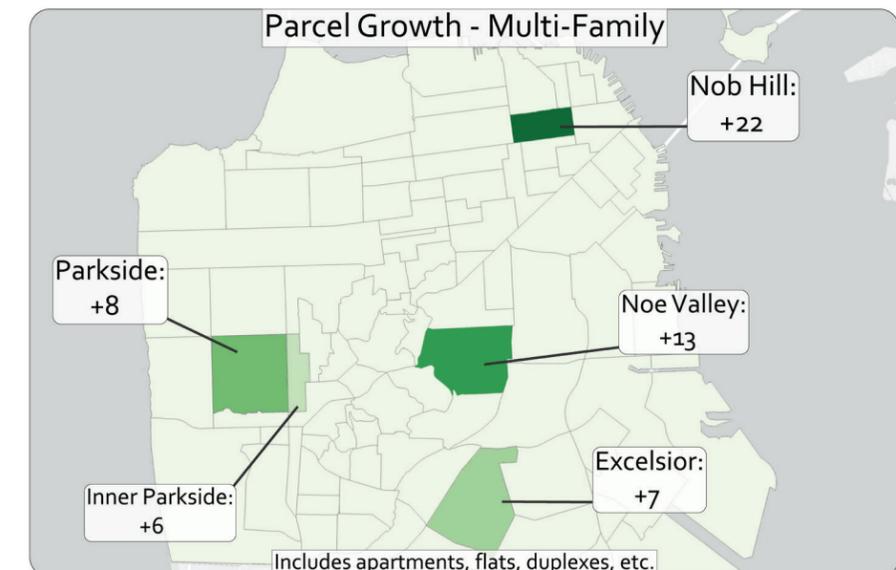
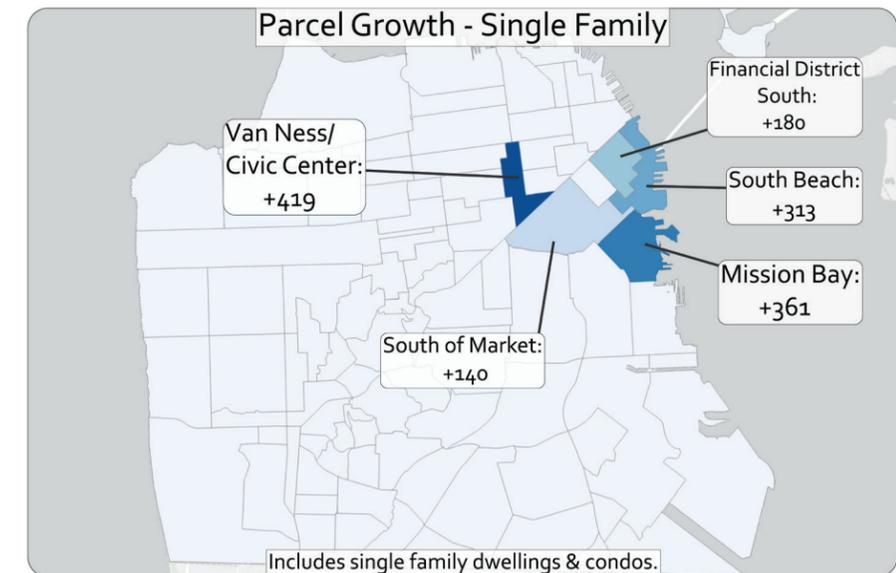
	Number of Parcel	% of Parcel	Assessment Value	% of Value
Single Family	149,979	70.86%	\$ 112,130,343,569	44.93%
Multi-Family	36,943	17.46%	\$ 54,881,658,298	21.99%
Commercial	8,554	4.04%	\$ 72,837,928,082	29.19%
Other	16,166	7.64%	\$ 9,705,061,395	3.89%
Total	211,642	100.00%	\$ 249,554,991,344	100.00%

Other properties includes industrial, government and miscellaneous/mixed use properties.

## Most Prominent Parcel Growth?

Construction across the City generally adds more parcels to our count. For example, when a 100-unit condominium project is finished, we now have 100 parcels where once only one parcel stood. Last year, close to 1,200 net new parcels were added in San Francisco for a total of 211,642 parcels. Currently, 98% of parcels are residential. The chart and map below illustrates the areas where parcel count grew the most.

	1st Neighborhood	Added Parcel	2nd Neighborhood	Added Parcel	3rd Neighborhood	Added Parcel
Single Family	Van Ness/Civic Center	419	Mission Bay	361	South Beach	313
Multi-Family	Nob Hill	22	Noe Valley	13	Parkside	8
Commercial	Mission Bay	19	Sunnyside	4	Potrero Hill	4

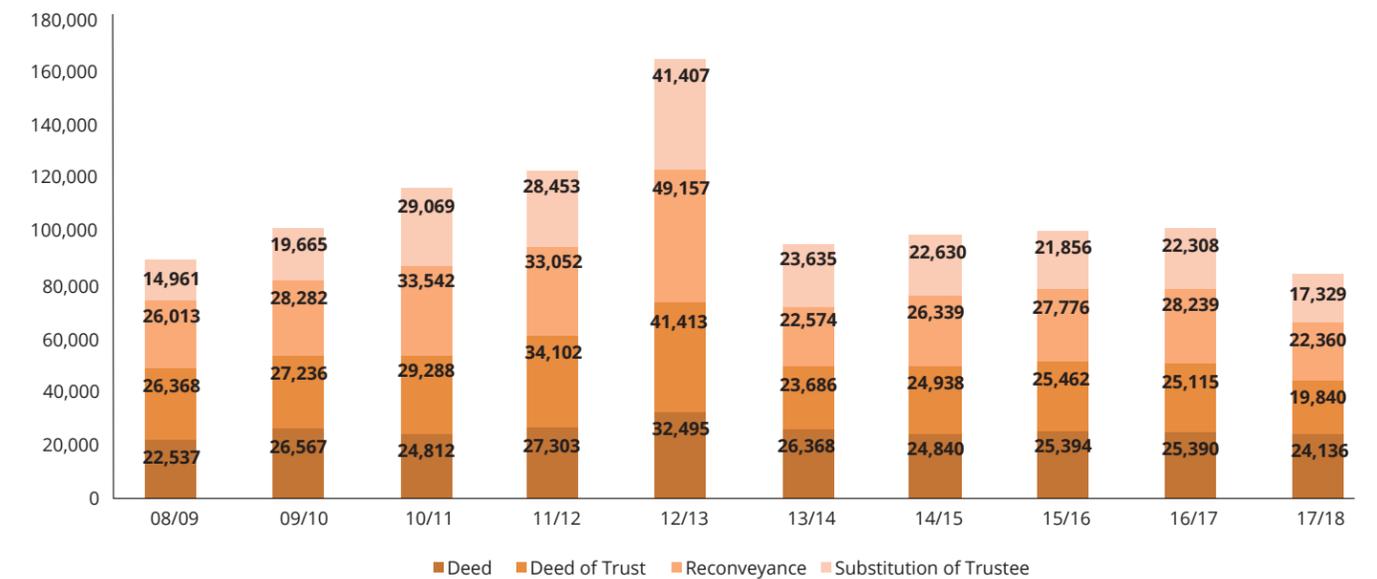


# INTERESTING TRENDS

## Recorded Documents Continue to Slow

The number of recorded documents decreased by 11% compared to the prior year. When we take a closer look at the top four most frequently recorded documents tied to market transaction, we observe the majority of reductions taking place for deeds of trust, substitutions of trustee and reconveyances, whereas deeds remain relatively steady. This is likely the result of fewer financings (institutional lending) or refinancing transactions.

### Volume of Top 4 Market Activity Driven Recorded Documents Over Time



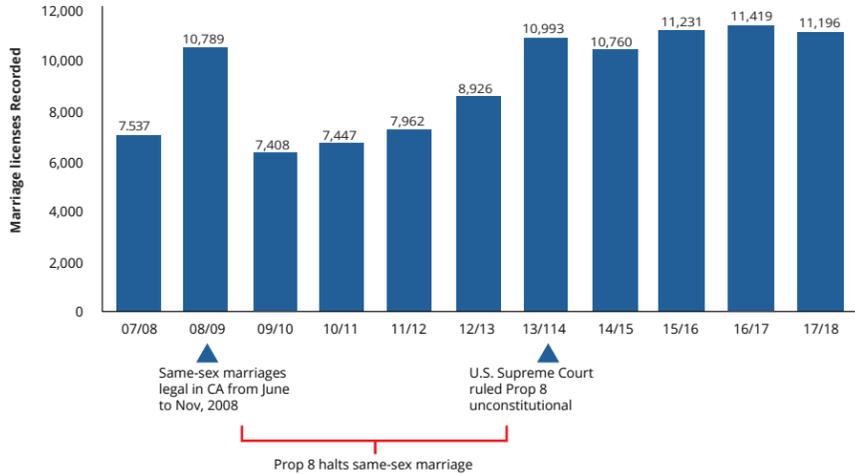
## More Public Marriage Licenses

We record and preserve public marriage licenses issued in the City. The graph below shows the number of marriage licenses recorded since FY08.

In June 2008, when same-sex marriage was first legalized in San Francisco, the number of public marriage licenses recorded locally in the City increased by over one-third. Between FY 2008-2013, same-sex marriages in California were halted due to the passage of Proposition 8 (2008).

When same-sex marriages were allowed to resume in June 2013, I was proud to lead California in being the only Recorder’s Office in the State of California to remain open through that first weekend so that couples did not have to wait any longer to marry. Close to 500 couples were married that weekend alone! Since then, the number of public marriage licenses recorded has remained consistently at a higher level at around 11,000 licenses annually.

**Marriages Recorded in San Francisco**

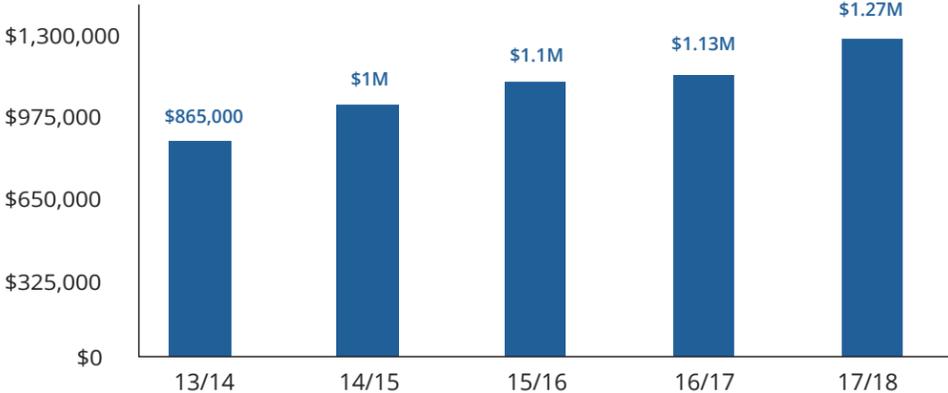


## Data Shows Single Family Median Prices are Rising

In FY18, there were a total of 6,344 single family residential property transactions, including single family dwellings, condominiums, townhouses, and co-op units. Through transfer tax data collected by our Recorder division.

We are able to analyze the median sales price of single family properties in the City over time. As expected, the median home price in San Francisco continues its upward trend through FY18. Median sales prices increased by 12% from \$1.13 million in FY17 to \$1.27 million in FY18.

**Median Sales Price of Single Family Residences Over Five Years**



Our City’s has led the way in the history of LGBT rights. In 2013, I turned over to the San Francisco Public Library archives close to 4,000 historic same-sex marriage licenses that were issued and later invalidated between February 12th and March 11th of 2004. These records were not allowed to become part of the public record as recorded documents.

*PHOTO: Sarah Rice, San Francisco Chronicle*

# PROPERTY TAX SAVINGS

## For Transfers within Family:

California tax laws allow parents to transfer ownership to their children (and vice versa) without reassessing the property to market value.

Prop 13, passed by California voters in 1978, caps the yearly assessment increase on a property at 2% or the inflation rate of the California Consumer Price Index, whichever is less. When there is a change in ownership, properties are generally reassessed to market value. However, if a claim for Prop 58 tax exclusion is submitted, property owners may be able to keep the current assessed value on the property rather than experiencing a reassessment. A similar tax benefit is also available for transfers from grandparents to grandchildren called Prop 193 exclusion. However, the requirements are different.

This year, our office granted close to 2,060 Prop 58 and Prop 193 exclusions. For more information regarding Prop 58 and Prop 193, please go to <http://sfassessor.org/about-us/fact-sheets>.



## For Seniors

Many seniors may consider moving to a smaller home or more convenient property as they grow older. However, buying a new house often means higher property taxes if the new property's market value is higher than the existing property's Prop 13 assessed value. The good news is that there is a California tax law which allows seniors to transfer their Prop 13 assessed value to a new property.

Prop 60 is a constitutional amendment passed by California voters in 1986 that allows owners who are 55 years old or older to transfer the assessed value of their existing home (original property) to their new home (replacement property) if both properties are located in the same county. For seniors who are interested in moving to another county, please check with the local County Assessor where your new property will be located to see if they accept assessment transfers from another county, also known as Prop 90.

For more information regarding Prop 60 and Prop 90, please go to <http://sfassessor.org/about-us/fact-sheets>.



## For Homeowners

Homeowners who occupy their property as their principal residence may qualify for a Homeowner's Exemption.

The Homeowner's Exemption reduces property taxes by deducting up to \$7,000 from the assessed value before applying taxes. In other words, qualified homeowners save \$70-80 dollars in property taxes every year. Only one Homeowner's Exemption can be claimed per person at a time.

Join the 88,000 homeowners who have benefited from this tax exemption in San Francisco. For more information, please go to <http://sfassessor.org/about-us/fact-sheets>.



## For Disabled Veterans

Disabled veterans may be eligible for a partial property tax reduction. Qualifying veterans must have been disabled due to a service-related injury or disease while in the armed forces, and must be a resident of California as of January 1 of the year in which they are applying for an exemption.

For more information, please go to <http://sfassessor.org/tax-savings/exemptions/disabled-veterans-property-tax-exemption>



## For Seismic Improvement

Construction of seismic retrofitting improvements or other improvements that utilize earthquake hazard mitigation technologies on an existing building are eligible for exclusion from reassessment. This means, no additional property taxes will be added for the portion of work done that is strictly for seismic improvements.

Property owners must file a completed Seismic Safety Construction Exclusion Form with our office prior to, or within 30 days of, completion of construction. Any additional documents needed to support the claim must be filed no later than 6 months after the completion of the project.



For more information, please go to <http://sfassessor.org/tax-savings/exclusions/earthquake-retrofit>

## For Disaster Relief

We join all Californians in keeping the communities impacted by recent fires in our thoughts. As our neighbors in the Northern and Southern California begin the difficult process of recovery from the fires, it is important for homeowners to know that as a property owner in California you are eligible for disaster relief due to calamities. Property owners who suffer damage to their property as the result of a calamity such as fire, earthquake or flood may be eligible for certain limited forms of property tax relief and deferral of payments.

For more information, please go to <http://sfassessor.org/tax-savings/tax-relief/disaster-relief>



## How to Contest Your Assessed Value?

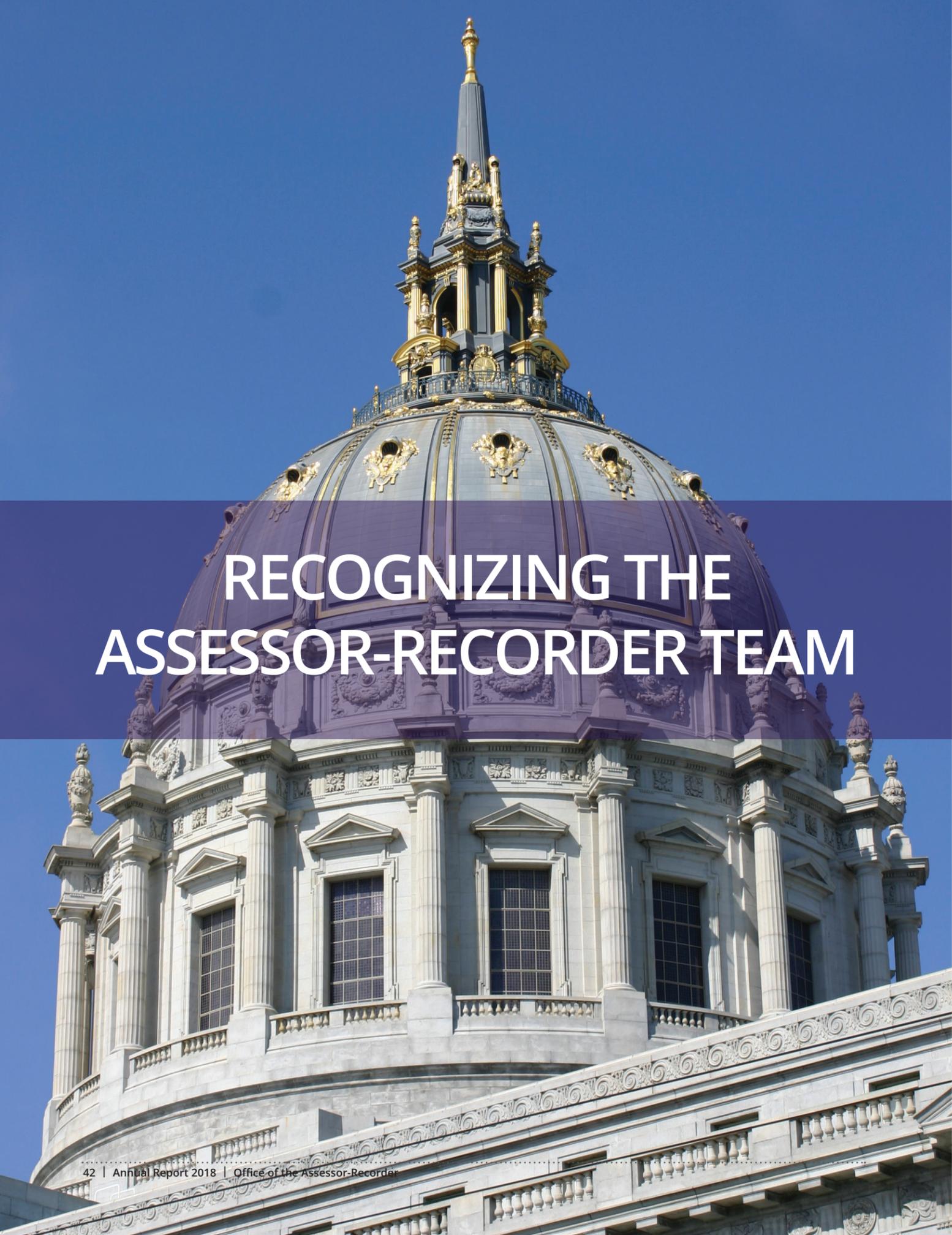
Property owners have two options to contest their assessed value.

**Informal Review:** As a courtesy to residents, our office provides a free Informal Review every year for residential properties that request review. Informal Review is only available to owners in single family dwellings, residential condominiums, townhouses, live-work lofts, and cooperative units. In Fiscal Year 2017-18, we proactively reviewed 8,212 properties and granted 4,719 temporary property tax reductions.

**Assessment Appeal:** Property owners may file a formal appeal with the Assessment Appeals Board (AAB), an independent board appointed by the Board of Supervisors to conduct fair and impartial hearings on property assessments. Under state law established by Proposition 8 (Revenue and Taxation Code Section 51(a)(2)), property owners can receive a temporary reduction to their assessed value if the current fair market value of their property is lower than the property's Proposition 13 capped assessed value. This can happen if property owners purchased properties at a peak in the market and when a subsequent real estate downturn caused property values to fall below their Proposition 13 capped assessed value.

For more information on Informal Review or the Assessment Appeal process, please go to <http://sfassessor.org/about-us/fact-sheets>





# RECOGNIZING THE ASSESSOR-RECORDER TEAM

I would like to express my appreciation to our staff for their dedication,  
hard work and service to the people of San Francisco

*Assessor Carmen Chu*

## STAFF

Nicole Agbayani	Megan Elliott	Douglas Legg	Gladys Sanchez
Derek Ah Nin	Wah Eng	Julia Leiva	Guadalupe Santana
Sally Aung	Natalie Epelbaum	Kin Leung	David Santos
Roberto Ayala-Duran	Anthony Estacio	Thida Leung	Emerson Santos
Brooke Bahador	Pio Factor	Lorraine Levy	Catherine Saul
Theresa Ballesteros	Orla Fahy	Raymond Lew	Antonio Segarra
Alfred Barber III	Anne Ferrel	Jerry Li	Patricia Segarra
Joaquin Benavides Sr	Julie Frisch	Jessica Li	Laurie Shulock
James Bias	Kurt Fuchs	Wayne Li	Richard Sin
Bryan Bibby	James Galileo	Jenny Liang	Edward Smith
Kimberly Blackfield	Abigail Galvez	Peggy Liang	Robert Spencer
Joanne Brodie	Joseph Gambucci	Curtis Lim	Ronald Sto-Domingo
Jerry Buss	Kevin Gamp	Kara Long	Thomas Swierk
Darrellyn Butler	Mary Gebrian	Ramon Loreto Jr	Dennis Tan
Dana Cano	Donna Gilliam	Maria Los Banos	Jason Tan
Joyce Castelo	Danielle Grant	Michael Louie	Susana Tan
Christopher Castle	Andre Guillory	Angela Lucas	Gilbert Tang
Alicia Chan	Carlota Hilario	Dominador Magsino III	Thomas Tang
Eric Chan	Cathleen Hoffman	Elizabeth Maier	Gary Tech
Iris Chan	Gilbert Huang	Christina Mckinnon	Sonia Tennille
Kenneth Chan	Harvey Huey	Christine McNary	Lisu Thachet
Larry Chan	Helen Hui	Shohreh Misaghi	Matthew Thomas
Marcus Chan	Alexander Hung	Arlene Mizuhara	Dinh Tran
Lolisha Chaney	Sara Hung	Jonathan Nelly	Fanny Truong
Kit Chau	Hong Hunt	Shanna Ngo	Veronica Tunucci
Anita Chen	Hakam Ibrahim	Wendy Ngo	Kathleen Uong
Huimin Chen	Simone Jacques	Tuyet Nguyen	Connie Vindell
Alice Cheung	Michael Jine	Saira Nisha	Brandon Wong
Yu Hang Chin	William Joe	Ogo Obi	Cecilia Wong
Stella Choi	Bernard Jong	Melissa Panday-Shrawder	Geoffrey Wong
Sandra Chow	Jason Jorgensen	Meesha Parker	Michelle Wong
Stella Chow	David Josefovsky	Alicia Petalver	Nicholas Wong
Carmen Chu	Myron Jung	Molly Peterson	William Wu
Suk Ping Chu	Rosita Kan	Irving Pham	Teresita Xander
Elaine Chung	Michael Kelleher	Claire Phillips	Summer Xia
Diane Cirrincione	Julie Kendall	Kathleen Pierpont	Adrienne Yan
Ellen Collaco	Barry Kwan	Vivian Po	Yuri Yan
Marol Connelly	Natalie Kwan Lloyd	Chris Powers	Beth Ybarra
Elizabeth Cooper	Kristine Lai	Daniel Quach	Stephen Yen
Lavendar Cromwell	Timothy Landregan	Saroni Ray	Johnny Yip
Mary Jane Cruz	Benjamin Lau	Allan Rayo	Kimmie Yu
Rachel Cukierman	Randy Lau	Jody Reichel	
Mateo Curimao III	Adrian Law	Daniel Reyes	
Filemon Dizon	Ardele Leavelle	Patricia Rivette	
Liliana Draper	Cliff Lee	Felix Rodriguez Jr	
Earl Dunivan	Phoebe Lee	Ana Sacayon	
Richard Duong	Richard Duong	Dinora Sanchez	

# GLOSSARY

**Ad Valorem Property Tax-**

Taxes imposed on the basis of the property's value.

**Assessed Value** - The taxable value of a property against which the tax rate is applied.

**Assessment Appeals Board** - A three member panel appointed by the Board of Supervisors, operating under State law, to review and adjust assessments upon request of a taxpayer or his or her agent. (See "assessment appeal").

**Assessment Roll** - The official list of all property within the County assessed by the Assessor-Recorder.

**Assessment Roll Year** - The year following the annual lien date and the regular assessment of property, beginning on July 1.

**Audit Escape** - The discovery of escape property resulting from an audit of the books and records of a profession, trade or business, for which an assessment is levied outside of the normal assessment period for the lien date in question.

**Base Year (Value)** - The 1975-76 regular roll value serves as the original base value. Thereafter, changes to the assessment on real property value, or a portion thereof, caused by new construction or changes in ownership create the base year value used in establishing the full cash value of such real property.

**Business Personal Property -**

Business personal property is assessable, and includes computers, supplies, office furniture and equipment, tooling, machinery and equipment. Most business inventory is exempt. (See personal property).

**Change in Ownership** - When a transfer of ownership in Real Property occurs, the Assessor-Recorder determines if a reappraisal is required under State law. If required, the reappraised value becomes the new base value of the property transferred, and a supplemental assessment is enrolled.

**CPI** - Consumer Price Index as determined annually by the California Bureau of Labor Statistics.

**Exemption** - Allowance of a deduction from the taxable assessed value of the property as prescribed by law.

**Homeowner's Exemption** - People who own and occupy a dwelling on the lien date as their principal place of residence are eligible to receive an exemption of up to \$7,000 of the dwelling's taxable value. The tax dollars reduced by the (HOX) homeowner's exemption are reimbursed to the County by the State of California.

**Exemptions** - Charitable, hospital, religious or scientific organizations, colleges, cemeteries, museums, and disabled veterans (for 100%, service-connected disabled veterans) are eligible for exemption.

**Factored Base Year Value -**

A property's base value is adjusted each year by the change in the California Consumer Price Index (CPI), not to exceed 2%. The factored base value is the upper limit of taxable value each year.

**Fiscal Year (FY)** - The period beginning July 1 and ending June 30.

**Fixture** - An improvement to real property whose purpose directly applies to or augments the process or function of a trade, industry or profession.

**Full Cash Value (FCV)** - The amount of cash or its equivalent value which property would bring if exposed for sale in the open market and as further defined in Revenue and Taxation Code 110.1.

**Lien** - The amount owed and created by the assessment of the property, or the amount levied against property by a taxing agency or revenue district.

**Lien Date** - The time when taxes for any fiscal year become a lien on property; and the time as of which property is valued for tax purposes. The lien date for California property is 12:01 a.m. on January 1 (effective January 1, 1997) preceding the fiscal year for which the taxes are collected. The lien date for prior years was March 1.

**New Base Year (Value)** - The full cash value of property on the date it changes ownership or when new construction is completed.

**New Construction** - The construction of new buildings, additions to existing buildings, or alterations which convert the property to another use or extends the economic life of the property, is reassessed, establishing a new base year value for only that portion of the property.

**Parcel** - Real property assessment unit. Land that is segregated into units by boundary lines for assessment purposes.

**Personal Property** - Any property except real estate, including airplanes, boats, and business property such as computers, supplies, furniture, machinery and equipment. (Most business inventory, household furnishings, personal effects, and pets are exempt from taxation.)

**Possessory Interest (PI)** - The possession or the right to possession of real estate whose fee title is held by a tax exempt public agency. An example of a PI includes the exclusive right to use public property at an airport such as a car rental company's service counter. The vendors are subject to property taxes. Regardless of the type of document evidencing the right to possession, a taxable PI exists whenever a private party has the exclusive right to a beneficial use of tax exempt publicly owned real property.

**Proposition 8** - Passed by California voters in November 1978, Proposition 8 requires for the temporary reduction in the assessed value when there is a decline in market value below the property's factored base year value.

**Proposition 13** - Passed by California voters in June, 1978, Proposition 13 is a Constitutional amendment that limits the taxation of property and creates a procedure for establishing the current taxable value of locally assessed real property, referencing a base year full cash value.

**Real Property** - Land and improvements to the land, which permits the possession of, claim to, ownership of, or right to possess.

**Roll** - A listing of all assessed property within the county. It identifies property, the owner, and the assessed value of the property.

**Secured Roll** - Property on which the property taxes are a lien against the real estate.

**Special Assessments** - Direct charges or flat fees against property which are included in the total tax bill but are not based upon the Assessor-Recorder's valuation of the property. Examples are a sewer charge or a school parcel tax.

**State Board of Equalization (SBE)** - The State Board of Equalization (BOE) consists of four members elected by California voters by district, and the State Controller whose duties in the field of taxation are defined by the State Constitution and the Legislature. The BOE regulates county assessment practices and administers a variety of state and local business tax programs.

**Supplemental Assessment** - When property is assessed due to a change in ownership or completed new construction, a supplemental assessment is issued. This is separate and in addition to the annual regular assessment. It is based on the net difference between the previous assessed value and the new assessment.

**Supplemental Roll** - The roll, prepared or amended, contains properties in which a change in ownership or completed new construction occurred.

**Tax Rates** - The maximum ad valorem (on the value) basic property tax rate is 1% of the net taxable value of the property. The total tax rate may be higher for various properties because of voter-approved general obligation bonds that are secured by property taxes for the annual payment of principle and interest.

**Tax Roll** - The official list of property subject to property tax, together with the amount of assessed value and the amount of taxes due, as applied and extended by the Auditor/Controller.

**Unsecured Roll** - Property on which the property taxes are not a lien against the real estate (real property) where they are situated, including personal property or improvements located on leased land.



# KEY DATES

<b>JANUARY 1</b>	The date taxes for the next fiscal year become a lien on property.
<b>FEBRUARY 15</b>	Deadline to file all exemption claims.
<b>MARCH 31</b>	Last day to file Informal Review
<b>APRIL 1</b>	Due date for filing statements for business personal property and marine vessels.
<b>APRIL 10</b>	Last day to pay second installment of secured property taxes without penalty.
<b>MAY 7</b>	Last day to file a business personal property statement without incurring a 10% penalty.
<b>JULY 1</b>	Local assessment roll is surrendered to the Controller. The local assessment roll is the official list of all taxable property within the County.
<b>MID-JULY</b>	Annual mailing of assessment notices to all San Francisco real property owners stating the taxable value of the property.
<b>JULY 2</b>	First day to file assessment appeal application with the Assessment Appeals Board.
<b>AUGUST 31</b>	Regular roll unsecured taxes due.
<b>SEPTEMBER 15</b>	Last day to file an assessment appeal application for reduced assessment with the Assessment Appeals Board, unless extended to November 30.
<b>DECEMBER 10</b>	Last day to pay first installment of secured property taxes without penalty.



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City Hall, Room 190  
San Francisco, CA 94102-4698

Phone: 3-1-1 (within San Francisco's 415 area code) / 415-701-2311 (outside of San Francisco)

Email: [assessor@sfgov.org](mailto:assessor@sfgov.org)  
Website: [www.sfassessor.org](http://www.sfassessor.org)

The Assessor-Recorder's Office is open Monday thru Friday 8:00 A. M. to 5:00 P.M., excluding legal holidays. Document recording is available 8:00 A.M. to 4:00 P.M. We have a public service desk that is staffed during business hours where you can inquire about property, tax rates and recorded documents.

If you have a question about your tax bill, please contact the Office of the Treasurer & Tax Collector at [www.sftreasurer.org](http://www.sftreasurer.org)