



CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

Ben Rosenfield
Controller

Todd Rydstrom
Deputy Controller

August 15, 2016

Mr. John Arntz
Department of Elections
City Hall, Room 48
Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

RE: Proposition X – Ordinance regarding preserving space for neighborhood arts, small businesses and community services in certain neighborhoods

Dear Mr. Arntz,

Should the proposed ordinance be approved by the voters, in my opinion, it would reduce the revenue available for general governmental services by several million dollars annually.

The proposed amendment would require certain projects seeking to convert or demolish existing space within the Mission and South of Market neighborhoods used by production, distribution, repair (PDR), or institutional community uses to obtain a conditional use authorization from the Planning Commission prior to constructing new office space or housing on those sites. These projects would also be required to provide a certain amount of new space to replace the PDR or community space that is converted or demolished.

The City and other public agencies would receive a reduced amount of property tax revenue, to the extent that the assessed values of new property for PDR or institutional community uses are lower than the assessed values of new residential or office space. My office projects a loss of revenue of between \$2.1 and \$4.3 million annually. The range of estimated revenue impacts reflects considerable uncertainty regarding the impact of the ordinance on future possible development in the City.

Sincerely,

A handwritten signature in black ink, appearing to read "Ben Rosenfield".

Ben Rosenfield
Controller