



February 22, 2018

John Arntz
Director of Elections
Room 48, City Hall
San Francisco, CA 94102

HAND DELIVERED and SENT VIA EMAIL to Barbara.Carr@sfgov.org

Re: "Living Wage for Educators Act of 2018." – June 2018 Ballot

Dear John,

Thank you for the opportunity to provide some background information to the Ballot Simplification Committee on one of the exemptions included in the proposed "Living Wage for Educators Act of 2018." The proposed initiative ordinance would create a new parcel tax in San Francisco and certain exemptions to the parcel tax could be provided by the San Francisco Tax Collector. One of these exemptions, the "Unit Owner Parking Space Exemption," would be based on information kept in the Assessor's system of record. This letter is intended only to describe our understanding of the parcels that are referred to in Section 1603G of the proposed ordinance.

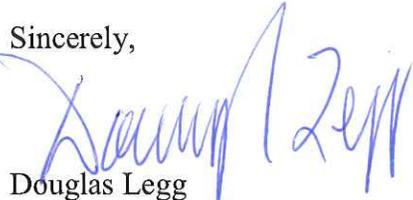
Historically, the right to a parking space in a condominium building has been bundled with a residential unit, and the value of the unit space and parking is encompassed in a single assessor's parcel. The vast majority of parking spaces in condo buildings are still owned and transferred in this way. Over the past decade or so, we have become aware of parking spaces in condominium developments that have been sold or transferred between parties. As such, we believe we are obligated to collect transfer tax on these sales, and to assess property taxes based on the change-in-ownership under Proposition 13 and the California Revenue and Taxation Code. We have found cases where an owner of a condo unit and a parking space has chosen to sell the parking space to another party. In other cases, parking spaces are owned by the developer of a condominium building and are sold separately from a residential unit. In order to track these sales or transfers, and assess taxes, we have "parcelized" parking spaces inside certain condominium buildings where parking spaces have transferred, assigning all the spaces in these buildings Assessor's Parcel Numbers, also known as APNs.

We believe the exemption in section 1603G is intended to exempt from parcel taxes parking spaces that have their own APN but that are owned by someone who also owns a residential unit and resides in the condo building. This means that owners of parking spots in buildings in which they live will be treated the same, whether or not their parking space has a separate APN from the residential unit itself.

Finally, for context, there are approximately 210,000 Assessor's Parcels in San Francisco. Of these parcels, approximately 350 are currently classified as parking space by the assessor. The number is likely to grow, but will remain a very small proportion of Assessor's Parcels.

Please do not hesitate to contact me at Douglas.Legg@sfgov.org should you have further questions.

Sincerely,



Douglas Legg
Deputy Assessor, Operations