

RESOLUTION NUMBER R- 284019

ADOPTED ON JUN 06 1994

WHEREAS, in November 1979, the California voters approved a constitutional amendment (Proposition 4) which added article XIIIIB to the California Constitution; and

WHEREAS, in 1980, the State Legislature added Division 9 to Title 1 of the California Government Code (commencing with section 7900) to implement article XIIIIB; and

WHEREAS, said Government Code sections require the governing body of each local jurisdiction in California to establish, by resolution, a tax appropriation limit for the following fiscal year predicated upon the appropriations limit for the prior fiscal year multiplied by a determinable factor; and

WHEREAS, the FY 1994 limit was established by Resolution No. R-282106 on June 7, 1993; and

WHEREAS, on June 5, 1990, San Diego voters approved Proposition D, authorizing an increase of \$273 million in the City's appropriation limit for the period fiscal year 1992 to 1995; and

WHEREAS, section 7910 of the Government Code requires that the documentation used to determine the City's tax appropriations limit be made available to the public fifteen (15) days prior to the Council meeting at which the tax appropriations limit resolution is to be considered; NOW, THEREFORE,

BE IT RESOLVED, by the Council of The City of San Diego, that pursuant to the authority of California Government Code,

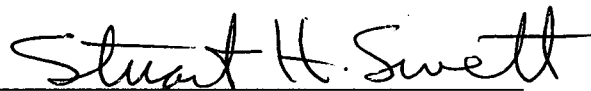
Division 9, Title 1 (sections 7900 et seq.) there is hereby established the following tax appropriations limit for The City of San Diego:

Established for Fiscal Year 1993	\$ 627,846,154
Established for Fiscal Year 1994	\$ 659,301,246
Established for Fiscal Year 1995	\$ 673,410,293

BE IT FURTHER RESOLVED, that this Council hereby declares that, pursuant to the requirements of section 7910 of the California Government Code, the documentation upon which the tax appropriations limit herein established has been determined, which is attached hereto as Exhibit A, has been made available for public information and review at the office of the City Clerk since May 20, 1994.

APPROVED: JOHN W. WITT, City Attorney

By



Stuart H. Swett  
Senior Chief Deputy

SHS:smm  
05/18/94  
Or.Dept:Fin.Mgmt.  
R-94-1835  
Form=r.fytax

CITY OF SAN DIEGO

MEMORANDUM

DATE : May 17, 1994  
TO : Viewer of Tax Appropriation Limit Public Inspection Packet  
FROM : Patricia T. Frazier, Financial Management Director  
SUBJECT: City of San Diego Tax Appropriations Limit for Fiscal Year 1995.

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In November 1979, California voters approved Proposition 4 (the Gann Initiative) and added Article XIII B to the California State Constitution. In 1980, the State Legislature added Division 9 (commencing with Section 7900) to Title I of the California Government Code to implement Article XIII B. This legislation requires the governing body of each local jurisdiction in the State to establish a tax appropriations limit on, or before June 30 of each year for the following fiscal year.

Proposition 111

On June 5, 1990, California voters approved Proposition 111, which amended Article XIII B by revising the methodology used to calculate the tax appropriations limit. The specific changes were as follows:

1. New Base Year - The base year was changed from Fiscal Year 1979 to Fiscal Year 1987.
2. Price Adjustment Factor - Annual adjustment for inflation was changed from the percent change in either the U.S. Consumer Price Index or California Per Capita, whichever was lower, to either the change in California Per Capita Income or percentage change in total assessed valuation attributed to new non-residential construction.
3. Population Adjustment - Under Proposition 111, cities have the option of using, as their population adjustment factor, either the percentage change in citywide population, or countywide population. Prior to Proposition 111 cities were required to use citywide population.

EXHIBIT A

R-284019

Proposition 111 went into effect in Fiscal Year 1991. Due primarily to the option of using countywide population growth, the City's limit under the new guidelines was greater than it would have been under pre-Proposition 111 procedures.

#### Proposition D

On June 5, 1990, San Diego voters approved Proposition D, authorizing an increase of \$273 million in the City's appropriations limit for the period FY 1992 to FY 1995. Fiscal Year 1992 was the first year the waiver went into effect, and the result was a substantial increase in the City's Appropriations Limit. Fiscal Year 1995 will be the last year of the waiver.

#### FY 1995 Limit

On June 6, 1994, the San Diego City Council is scheduled to consider the adoption of a resolution establishing a City of San Diego tax appropriations limit for Fiscal Year 1995. In order to assist you in understanding how the recommended tax appropriations limit was determined, the documentation used to compute the tax appropriations limit is being made available to you in this public inspection packet. Included are:

1. City of San Diego tax appropriations limits for Fiscal years 1993, 1994 and 1995.
2. Calculations of permitted growth for the City tax appropriations limit in Fiscal Year 1995.
3. Alternative adjustment factors for making annual adjustment to appropriations limit.
4. City of San Diego tax appropriations limits for Fiscal Year 1979 through 1995, with all adjustments for population growth, price changes and special adjustments.
5. Source data used to calculate adjustment factors.
5. A copy of Article XIII B, the Gann Initiative.
6. A copy of Proposition 111.

Section 7910 of the Government code provides the following time limits for challenges against the Article XIII B tax appropriations limit adopted by the City.

FOR THE 1981-82 FISCAL YEAR AND EACH FISCAL YEAR THEREAFTER, ANY JUDICIAL ACTION OR PROCEEDING TO ATTACK, REVIEW, SET ASIDE, VOID, OR ANNUL THE ACTION OF THE GOVERNING BODY TAKEN PURSUANT TO THIS SECTION SHALL BE COMMENCED WITHIN 45 DAYS OF THE EFFECTIVE DATE OF THE RESOLUTION.

Should the attached material not answer your questions, please contact Mike Carrier, at 236-6946.

  
PATRICIA T. FRAZIER

PTF:MC

Enclosures

R-284019

## CITY OF SAN DIEGO

## TAX APPROPRIATIONS LIMITS FOR FISCAL YEARS 1993, 1994, AND 1995

FY 1993 appropriations limit (1)	\$627,846,154
FY 1994 appropriations limit	\$659,301,246
FY 1995 appropriations limit	\$673,410,293

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(1) In FY 1992 voters approved an increase of \$273 million in the City's appropriations limit. This waiver is in effect for four year and expire at the end of FY 1995.

ADJUSTED TAX APPROPRIATIONS (2)

Actual tax appropriations for FY 1993	\$331,398,468
Estimated tax appropriations for FY 1994	\$326,070,003
Projected tax appropriations for FY 1995	\$329,284,474

(2) Based on tax appropriations adjusted for debt service payments.

## CITY OF SAN DIEGO

CALCULATION OF GROWTH ADJUSTMENT FACTOR  
FOR FISCAL YEAR 1995 TAX APPROPRIATIONS LIMIT

The annual adjustment to the tax appropriations limit is calculated based on the product of a "price adjustment factor" and a "population adjustment factor." Under the Proposition 111 guidelines, the City has the option of selecting from the following options for these two factors:

Price Adjustment Options:

1. Percent change in California per capita income, or
2. Percentage growth in assessed valuation attributed to new non-residential construction.

Population Adjustment Options:

1. Percent change in Countywide population, or
2. Percent change in City population.

The recommended appropriations limit of \$673,410,293 is based on the following factors:

Price Factor (State Per Capita Income)	+0.71%
Population Factor (Change in County Population)	+1.42%

To calculate the actual adjustment factor, the above factors were converted as follows:

Price change converted to adjustment factor:  $\frac{0.71 + 100}{100} = 1.0071$

Population change converted to adjustment factor:  $\frac{1.42 + 100}{100} = 1.0142$

Calculation of FY 1995 adjustment  $(1.0071) \times (1.0142) = 1.0214$

Permitted growth in the City's tax appropriations limit between FY 1994 and FY 1995  $(1.0214) \times (100) - 100 = 2.14\%$

Calculation of FY 1995 limit

$$\begin{aligned} &(\text{FY 1994 limit}) \times (\text{Adjustment Factor}) = \\ &(\$659,301,246) \times (1.0214) = \quad \underline{\$673,410,293} \end{aligned}$$

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Since under Proposition 111 there are two options for each of the above adjustment factors, there are a total of four alternatives for calculating the annual adjustment factors. These alternatives are summarized in Attachment 3.



## ALTERNATIVE ADJUSTMENT FACTORS

Under Proposition 111, there are two options available for each of the major adjustment factors. The values of these factors for the purpose of calculating the Fiscal Year 1995 adjustment are as follows:

Price Factor:

(A) Percent growth in State Per Capita Income	+0.71%
(B) Percent Change in Assessed Valuation due to new non-residential construction.	+0.57%

Population Factor:

(C) Percent growth in County Population	+1.42%
(D) Percent growth in City Population	+1.34%

Annual Adjustment Factors:

Based upon the above data, the four alternative adjustment factors are as follows:

(A x C) = (1.0071) x (1.0142) =	1.0214
(A x D) = (1.0071) x (1.0134) =	1.0206
(B x C) = (1.0057) x (1.0142) =	1.0200
(B x D) = (1.0057) x (1.0134) =	1.0192

The recommended limit was calculated using the factor of (A x C), resulting in a 2.14% increase to the limit.

Source data supporting the above calculations is provided in Attachment 5.

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HISTORY OF TAX APPROPRIATIONS LIMIT ADJUSTMENTS  
FOR CHANGES IN POPULATION, INFLATION,  
AND SPECIAL ADJUSTMENTS  
FISCAL YEARS 1979 TO FISCAL YEAR 1995

Adjustment From Fiscal Year	To Fiscal Year	Price Adj.	Pop. Adj.	Total Adj.	Total Adjustments (1)	Special Adjustments (1)
1979	1980	10.17%	2.89%	13.35%	\$	0
1980	1981	12.11	2.49	14.90		0
1981	1982	9.12	2.49	11.84		0
1982	1983	6.79	2.40	9.35		0
1983	1984	2.35	2.13	4.53		0
1984	1985	4.74	2.85	7.73		0
1985	1986	3.74	2.32	6.15		19,431 (2)
1986	1987	2.30	3.06	5.43		15,657 (3)
1987	1988	3.04	2.43	5.54		0
1988	1989	3.93	2.78	6.82		52,016,985 (4)
1989	1990	4.98	3.11	8.24		0
1990	1991	4.21	3.65	8.01	(5)	
1991	1992	4.14	3.06	7.33		273,000,000 (6)
1992	1993	-0.64	2.34	1.69		
1993	1994	2.72	2.23	5.01		
1994	1995	0.71	1.42	2.14		

Year                      Appropriations Limit

1979	\$116,513,949	
1980	132,073,121	
1981	151,754,049	
1982	169,717,309	
1983	185,590,901	
1984	193,998,271	
1985	209,004,242	
1986	221,866,905	
1987	233,915,121	
1988	298,900,060	
1989	319,282,815	
1990	345,607,293	
1991	387,569,525	
1992	617,411,893	(Waiver in effect)
1993	627,846,154	
1994	659,301,246	
1995	673,410,293	(Recommended)

(1) Article XIII B permits adjustments in the Gann limit to take place in the event of a shift in financial responsibility among local governmental entities.

(2) The adjustments to the Fiscal year 1985 Appropriations Limit are as follows:

Daley Island Reorganization	+\$ 10,920
M.V. Associates Reorganization	+ 7,679
Otay Mesa Reorganization	+ <u>832</u>
	+ 19,431

(3) The adjustments to the Fiscal Year 1986 Appropriations Limit are as follows:

Otay Valley/Palm Avenue Reorganization	-\$ 9,417
Palomar/Bay Boulevard Reorganization	- 1,669
Flood Control District Act of 1984	+ <u>26,743</u>
	+ 15,657

(4) The adjustments to the Fiscal Year 1988 Appropriations Limit are as follows:

Gann Limit increase authorized by passage of Proposition E in November 3, 1987, election	\$ 52,000,000
Meanley Park Reorganization	+ <u>16,985</u>
	+ 52,016,985

(5) FY 1991 adjustment is applied to "recalculated" limit for FY 1990, which differs from the actual limit adopted using pre-Proposition 111 guidelines.

(6) The special adjustment for FY 1992 Appropriations Limit is based on the following:

Gann Limit increase authorized by passage of Proposition D in June 5, 1990 election	+\$ 273,000,000
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This waiver is in effect through FY 1995.

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**SUPPORTING DOCUMENTATION**

1. Population estimates as of January 1, 1994, California Department of Finance.
2. Non-Residential New Construction, Assessment Roll 1993, San Diego County Assessor.
3. Assessed Valuation 1992, San Diego County Assessor

- A. **Price Factor:** Article XIII B specifies that local jurisdictions select their cost-of-living factor to compute their appropriation limit by a vote of their governing body. Local jurisdictions may select either the percentage change in California per capita personal income or the percentage change in the local assessment roll due to the addition of local nonresidential new construction. If the percentage change in per capita personal income is selected, the percentage changes to be used in setting 1994-95 appropriation limit are:

Per Capita Personal Income	
Fiscal Year (FY)	Percentage change over prior year
1994-95	0.71

- B. Following is an example using sample population changes and the changes in California per capita personal income as growth factors in computing a 1994-95 appropriations limit.\*

1994-95:

Per Capita Change = 0.71 percent  
Population Change = 1.43 percent

Per Capita converted to a ratio:  $\frac{0.71 + 100}{100} = 1.0071$

Population converted to a ratio:  $\frac{1.43 + 100}{100} = 1.0143$

Calculation of factor for FY 94-95:  $1.0071 \times 1.0143 = 1.0215$

\* Conversion of the factor to a ratio eliminates minus numbers.

**DEPARTMENT OF FINANCE**915 L STREET  
SACRAMENTO, CA 95814-4998

May 2, 1994

MAY 03 1994  
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**PRICE AND POPULATION DATA FOR LOCAL JURISDICTIONS****Appropriations Limit**

Article XIII B of the California Constitution specifies that appropriations made by State and local governments may increase annually by a factor comprised of the change in population combined with either the change in California per capita personal income or the change in the local assessment roll due to local nonresidential construction.

The Department of Finance is mandated to provide the population and California per capita personal income change data for local jurisdictions to calculate their appropriation limits. The change in the local assessment roll due to local nonresidential construction may be obtained from your county Assessor. The enclosures contain price and population factors for setting your 1994-95 appropriation limit.

Enclosure I provides the change in California's per capita personal income price factor. An example of how to utilize this price factor and the population percentage change factor in calculating your 1994-95 limit is included.

Enclosure II provides the population percentage change factors for cities and counties.

Enclosure IIA provides the population percentage change factor for counties and for the total incorporated population of each county.

These population percentage changes were prepared pursuant to Sections 2227 and 2228 of the Revenue and Taxation Code and are calculated as of January 1, 1994. Section 2227 specifies that state mental institutions, federal military bases and state and federal prisons be excluded from the percentage change calculations.

**Population Factors for Cities and Counties**

Cities and counties should consult Section 7901 of the Government Code for the various population factors that may be used for purposes of change in population.

**Population Factors for Special Districts**

Special districts should consult Section 7901 of the Government Code and Section 2228 of the Revenue and Taxation Code for the various population factors that may be used for purposes of change in population.

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ANNUAL PERCENTAGE CHANGE IN POPULATION MINUS EXCLUSIONS\* JANUARY 1, 1993  
TO JANUARY 1, 1994 AND TOTAL POPULATION JANUARY 1, 1994.

DATE PRINTED  
04/28/94

COUNTY CITY	POPULATION MINUS EXCLUSIONS			TOTAL POPULATION 1-1-94
	ANNUAL PERCENT CHANGE 1993 TO 1994	POPULATION		
		1-1-93	1-1-94	
SAN DIEGO				
CARLSBAD	0.89	67,322	67,923	67,923
CHULA VISTA	2.08	145,691	148,721	149,347
CORONADO	1.36	16,435	16,658	26,312
DEL MAR	0.38	5,054	5,073	5,073
EL CAJON	0.95	91,391	92,262	92,262
ENCINITAS	0.73	57,588	58,011	58,011
ESCONDIDO	1.45	115,271	116,938	116,938
IMPERIAL BEACH	0.68	27,762	27,952	28,002
LA MESA	1.45	54,885	55,683	56,569
LEMON GROVE	0.65	24,924	25,086	25,086
NATIONAL CITY	0.22	50,643	50,756	55,625
OCEANSIDE	2.56	141,778	145,404	145,404
POWAY	1.11	46,069	46,579	46,689
SAN DIEGO	1.34	1,123,704	1,138,742	1,184,814
SAN MARCOS	3.29	44,526	45,991	45,991
SANTEE	0.70	54,614	54,994	54,994
SOLANA BEACH	0.45	13,374	13,434	13,434
VISTA	1.87	78,052	79,511	79,511
UNINCORPORATED	1.41	387,105	392,555	436,002
SAN DIEGO COUNTY	1.42	2,546,188	2,582,273	2,687,987

\* EXCLUSIONS INCLUDE STATE MENTAL INSTITUTIONS, FEDERAL MILITARY BASES AND STATE AND FEDERAL PRISONS.

R-284019

PAG40380 PA6433-01  
RUN DATE 07/14/93

SAN DIEGO COUNTY ASSESSORS OFFICE  
NON-RESIDENTIAL NEW CONSTRUCTION (PROP 111)  
ASSESSMENT ROLL 1993  
6085-00 SAN DIEGO CITY TAX

TAX RATE AREA	VALUE
08001	\$91,201,377
08008	\$681,000
08012	\$12,721,270
08015	\$16,000
08028	\$17,000
08032	\$40,000
08035	\$496,700
08043	\$39,017
08050	\$8,245,000
08073	\$22,000
08075	\$344,500
08079	\$88,700
08083	\$14,800
08092	\$49,300
08100	\$99,000
08114	\$94,000
08118	\$33,884,900
08119	\$1,239,500
08129	\$30,000
08139	\$1,403,000
08140	\$9,013,700
08141	\$26,660,500
08144	\$8,604,400
08149	\$1,449,112
08154	\$123,000
08159	\$228,500
08160	\$15,000
08166	\$234,299
08169	\$1,050,000
08170	\$129,491,100
08174	\$2,068,000
08178	\$60,000
08185	\$18,000
08193	\$1,031,582
08195	\$854,000
08200	\$32,800
08213	\$1,724,000
08215	\$2,226,500
08216	\$1,668,000
08217	\$1,204,000
08220	\$211,000
08230	\$1,400,000
08240	\$282,500

FUND TOTAL \$340,343,157



(10)

Jeff

# COUNTY OF SAN DIEGO



OFFICE OF THE ASSESSOR  
1600 PACIFIC HIGHWAY, ROOM 103  
SAN DIEGO, CA 92101-2480  
(619) 236-3771

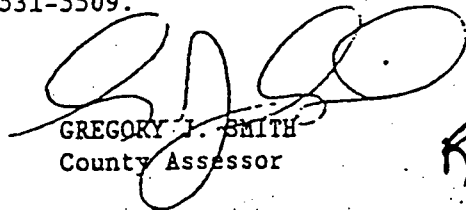
GREGORY J. SMITH  
COUNTY ASSESSOR

## 1992 INVENTORY OF PARCELS AND ASSESSED VALUES - CITY OF SAN DIEGO

		<u>PARCELS</u>	<u>UNITS</u>	<u>ASSESSED VALUES</u>
RESIDENTIAL	TOTAL	289,745	421,514	\$40,930,418,465
Time-share Condominiums		1,515	1,512	6,877,160
Mobilehomes		681	678	37,032,803
Vacant		9,517	0	809,676,856
Single Family		184,924	184,898	24,410,403,950
Duplex or 2 Houses		6,162	12,324	663,950,519
Multi 2 to 4 Units		11,981	33,490	1,558,710,070
Multi 5 to 15 Units		5,435	42,097	1,706,276,723
Multi 16 to 60 Units		1,156	30,585	1,173,813,791
Multi 61 Units and Up		415	47,994	2,355,569,449
Condominium		67,483	67,871	8,171,042,713
Transitional		476	65	37,064,431
COMMERCIAL	TOTAL	10,947	25,864	12,143,046,605
Vacant		1,218	49	488,800,971
Store Building		5,727	3,010	6,343,892,170
Shopping Center		405	15	1,157,791,291
Hotel Motel		402	20,720	1,811,669,532
Service Station		360	16	109,309,027
Office Condominiums		278	27	39,291,225
Parking or Used Car Lot		772	268	414,367,501
Trailer Park		53	1,000	75,633,218
Auto Sales & Service Agency		112	2	109,572,442
General		1,620	757	1,592,719,228
INDUSTRIAL	TOTAL	4,482	5,660	4,725,660,924
Vacant		1,343	18	632,980,141
Factory		1,005	86	2,369,976,507
Warehousing		1,433	3,112	1,454,823,093
Bulk Storage		18	0	8,584,814
Extractive & Mining		54	1	21,710,298
Industrial Condominiums		181	20	63,466,951
General		448	2,423	174,119,120
IRRIGATED FARM	TOTAL	158	94	46,702,689
RURAL LAND (NON-IRRIGATED)	TOTAL	969	30	317,262,300
INSTITUTIONAL	TOTAL	890	1,630	1,344,010,566
RECREATIONAL	TOTAL	1,578	320	401,438,732
MISCELLANEOUS	TOTAL	3	0	28,248,821
GRAND TOTAL		308,772	455,112	\$59,936,789,102

27,486,651,358 (4.7%)  
32,450,137,747 (54%)

The above data is provided for your information and represents total assessed values of real property only, prior to exemptions. If you have any questions, please contact Robert Frazier, Chief Deputy Assessor, at (619) 531-5509.

  
GREGORY J. SMITH  
County Assessor

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