

RESOLUTION NUMBER R- 296726

ADOPTED ON JUN 24 2002

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

WHEREAS, said Government Code sections require the governing body of each local jurisdiction in California to establish, by resolution, the tax appropriations 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 2002 limit was established by Resolution No. R-295067 on June 19, 2001; 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 2001 \$548,766,362

Established for Fiscal Year 2002 \$603,258,862

Established for Fiscal Year 2003 \$684,004,095

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 June 5, 2002.

APPROVED: CASEY GWINN, City Attorney

By Stuart H. Swett
Stuart H. Swett
Senior Deputy City Attorney

SHS:smf
06/05/02
Or.Dept:Fin.Mgmt.
R-2001-1740
Form=ftyaxres.frm

**TAX APPROPRIATIONS LIMITS
FOR FISCAL YEARS 2001, 2002 AND 2003 (PROPOSED)**

FY 2001 Tax Appropriations Limit	\$548,766,362
FY 2002 Tax Appropriations Limit	\$603,258,862
FY 2003 Tax Appropriations Limit (Proposed)	\$684,004,095

ADJUSTED TAX APPROPRIATIONS

Actual Tax Appropriations for FY 2001 ⁽¹⁾	\$528,498,258
Budgeted Tax Appropriations for FY 2002 ⁽¹⁾	\$557,349,054
Projected Tax Appropriations for FY 2003 ⁽²⁾	\$556,211,776

(1) Based on tax appropriations adjusted for annual debt service payments on voter approved indebtedness.

(2) Based on tax appropriations adjusted for annual debt service payments on voter approved indebtedness and annual debt service payments on bonds issued for qualified capital outlays.

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 2003 adjustment are as follows:

Price Factor:

(A) Percent growth in State Per Capita Personal Income	-1.27%
(B) Percent change in Assessed Valuation due to new non-residential construction	+11.38%

Population Factor:

(C) Percent growth in County Population	+1.80%
(D) Percent growth in City Population	+1.40%

Annual Adjustment Factors:

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

(A x C) =	(0.9873) x (1.0180)	=	1.0051
(A x D) =	(0.9873) x (1.0140)	=	1.0011
(B x C) =	(1.1138) x (1.0180)	=	1.1338
(B x D) =	(1.1138) x (1.0140)	=	1.1294

The recommended limit was calculated using the factor of (B x C), resulting in a 13.38% increase to the limit.

Source data supporting the above calculation is provided in Attachments 5-A and 5-B.

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RECOMMENDED CALCULATION OF PERMITTED GROWTH IN LIMIT

Recommended Adjustment Factors

The recommended appropriations limit of \$684,004,095 is based on the following factors:

Price Factor (Assessed valuation due to new non-residential construction)	11.38%
Population Factor (Change in County Population)	1.80%

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

Price change converted to adjustment factor	=	$(11.38 + 100) \div (100) = 1.1138$
Population change converted to adjustment factor	=	$(1.80 + 100) \div (100) = 1.0180$
Combined adjustment factor	=	$(1.1138) \times (1.0180) = 1.1338$

Calculation of FY 2002 Limit

Fiscal Year 2003 Limit = (FY 2002 limit) x (Adjustment Factor) =

$$(\$603,258,862) \times (1.1338) = \$684,004,095^*$$

* Adjustment factors have been rounded for the purposes of summarizing the methodology used to calculate the FY 2003 appropriations limit. The limit itself is calculated using the non-rounded adjustment factor of 1.1338484.

**HISTORY OF TAX APPROPRIATIONS LIMITS
FOR FISCAL YEARS 1979 TO 2003 (Proposed)**

<u>Adjustment From Year</u>	<u>To Year</u>	<u>Price Adjustment</u>	<u>Population Adjustment</u>	<u>Total Adjustment</u>
1979	1980	10.17%	2.89%	13.35%
1980	1981	12.11	2.49	14.90
1981	1982	9.12	2.49	11.84
1982	1983	6.79	2.40	9.35
1983	1984	2.35	2.13	4.53
1984	1985	4.74	2.85	7.73
1985	1986	3.74	2.32	6.15
1986	1987	2.30	3.06	5.43
1987	1988	3.04	2.43	5.54
1988	1989	3.93	2.78	6.82
1989	1990	4.98	3.11	8.24
1990	1991	4.21	3.65	8.01
1991	1992	4.14	3.06	7.33
1992	1993	-0.64	2.34	1.69
1993	1994	2.72	2.23	5.01
1994	1995	0.71	1.42	2.14
1995	1996	4.72	1.33	6.11
1996	1997	4.67	1.19	5.92
1997	1998	4.67	1.46	6.20
1998	1999	4.15	2.56	6.82
1999	2000	4.91	2.15	7.17
2000	2001	7.82	1.96	9.93
2001	2002	11.38	1.80	13.38 (Proposed)

(continued)

<u>Year</u>	<u>Appropriations Limit</u>
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 (1)
1989	319,282,815
1990	345,607,293
1991	387,569,525
1992	617,411,893 (2)
1993	627,846,154
1994	659,301,246
1995	673,410,293
1996	448,603,272 (3)
1997	475,160,586
1998	504,620,542
1999	539,035,663
2000	512,052,218 (4)
2001	548,766,362
2002	603,258,862
2003	\$684,004,095 (Proposed)

- (1) \$52 million waiver approved for 4 year period (FY 88 to FY 91).
- (2) \$273 million waiver approved for 4 year period (FY 92 to FY 95).
- (3) Limit fell due to end of 4 year waiver authorizing \$273 million increase in limit. Fiscal Year 1996 was the first year of a new 4 year waiver authorizing a \$50 million increase in the limit.
- (4) Limit fell due to the end of a 4 year waiver authorizing a \$50 million increase in the limit.

May 1, 2002

Dear Fiscal Officer:

Subject: Price and Population Information

Appropriations Limit

The California Revenue and Taxation Code, Section 2227, mandates the Department of Finance (Finance) to transmit an estimate of the percentage change in population to local governments. Each local jurisdiction uses their percentage change in population factor for January 1, 2002, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2002-03. Enclosure I provides the change in California's per capita personal income and an example for utilizing the price factor and population percentage change factor to calculate the 2002-03 appropriations limit. Enclosure II provides city and unincorporated county population percentage changes, and Enclosure IIA provides county and incorporated areas population percentage changes. The population percentage change data excludes federal and state institutionalized populations and military populations, as noted.

Population Percent Change for Special Districts

Some special districts must establish an annual appropriations limit. Consult the Revenue and Taxation Code, Section 2228, for the various population options available to special districts to assess population change in their district. Article XIII B, Section 9, of the State Constitution exempts certain special districts from the appropriations limit calculation mandate. Special districts required by law to calculate their appropriations limit must present the calculation as part of their annual audit. No State agency reviews the appropriations limit.

Population Certification

The population certification program applies only to cities and counties. Revenue and Taxation Code 11005.6, mandates Finance to automatically certify any population estimate that exceeds the current certified population with the State Controller's Office. **Finance will certify the higher estimate to the State Controller by June 3, 2002.**

Address questions about the price and population data to the Demographic Research Unit at (916) 323-4086.

Sincerely,

B. TIMOTHY GAGE
Director

Enclosure
May 1, 2002

Enclosure I

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- 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. The cost of living factor provided here is per capita personal income. If the percentage change in per capita personal income is selected, the percentage change to be used in setting the 2002-2003 appropriation limit is:

Per Capita Personal Income

Fiscal Year (FY)	Percentage change over prior year
2002-2003	-1.27

- B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2002-2003 appropriations limit.

2002-2003:

Per Capita Change = -1.27 percent
 Population Change = 1.83 percent

Per Capita converted to a ratio: $\frac{-1.27 + 100}{100} = 0.9873$

Population converted to a ratio: $\frac{1.83 + 100}{100} = 1.0183$

Calculation of factor for FY 2002-2003: $0.9873 \times 1.0183 = 1.0054$

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Enclosure II
 Annual Percent Change in Population Minus Exclusions (*)
 January 1, 2001 to January 1, 2002 and Total Population January 1, 2002

County City	Percent Change 2001-2002	Population Minus Exclusions		Total Population
		1-1-01	1-1-02	1-1-2002
SAN DIEGO				
CARLSBAD	5.95	83,068	88,013	88,013
CHULA VISTA	5.39	180,579	190,307	190,949
CORONADO	0.93	16,692	16,848	25,939
DEL MAR	1.19	4,446	4,499	4,499
EL CAJON	0.53	96,023	96,530	96,530
ENCINITAS	1.51	59,056	59,950	59,950
ESCONDIDO	1.18	135,363	136,956	136,956
IMPERIAL BEACH	0.87	27,286	27,524	27,524
LA MESA	0.67	54,363	54,727	55,643
LEMON GROVE	0.57	25,185	25,329	25,329
NATIONAL CITY	0.62	51,434	51,753	58,107
OCEANSIDE	1.96	164,024	167,240	167,240
POWAY	1.55	48,785	49,542	49,658
SAN DIEGO	1.40	1,195,962	1,212,723	1,255,742
SAN MARCOS	5.54	57,605	60,795	60,795
SANTEE	0.31	52,990	53,155	53,658
SOLANA BEACH	0.72	13,185	13,280	13,280
VISTA	1.06	91,107	92,071	92,071
UNINCORPORATED	1.37	405,784	411,342	456,371
COUNTY TOTAL	1.80	2,762,937	2,812,584	2,918,254

(*) Exclusions include residents in state mental institutions, federal military installations, and state and federal correctional institutions.

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**ASSESSED VALUATION ATTRIBUTABLE TO
NEW NON-RESIDENTIAL CONSTRUCTION**

Valuation due to new non-residential construction ⁽¹⁾ =	<u>New non-residential construction</u> Change in assessed valuation ⁽²⁾
=	<u>\$918,891,746</u> \$8,077,054,485
=	.1138
=	.1138 * 100
=	11.38%

(1) As provided by the San Diego County Assessor's Office

(2) Assessed valuation for 2001 = \$90,903,757,811; Assessed Valuation for 2000 = \$82,826,703,326



COUNTY OF SAN DIEGO

GREGORY J. SMITH
ASSESSOR/RECORDER/COUNTY CLERK



ASSESSOR'S OFFICE

1600 PACIFIC HIGHWAY, RM 103
SAN DIEGO, CA 92101-2480
(619) 236-3771 Fax (619) 557-4056

RECORDER/COUNTY CLERK'S OFFICE

1600 PACIFIC HIGHWAY, RM 260
SAN DIEGO, CA 92101-2480
(619) 237-0502 FAX (619) 557-4155

2001 INVENTORY OF PARCELS AND VALUES - CITY OF SAN DIEGO

		PARCELS	UNITS	ASSESSED VALUES
RESIDENTIAL	TOTAL	312,323	456,175	63,663,266,243
Time-share Condominiums		4,574	4,574	23,688,197
Mobilehomes		1,225	1,215	38,976,182
Vacant		6,736	14	698,614,425
Single Family		198,340	198,516	40,221,851,080
Duplex or 2 Houses		5,973	11,949	876,525,120
Multi 2 to 4 Houses		11,809	33,065	2,096,940,725
Multi 5 to 15 Units		5,358	41,986	1,916,429,925
Multi 16 to 60 Units		1,115	29,583	1,349,602,667
Multi 61 Units and Up		739	58,933	4,109,709,103
Condominium		75,656	75,953	12,270,568,793
Transitional		798	387	60,360,022
COMMERCIAL	TOTAL	11,211	43,090	17,785,454,186
Vacant		1,198	30	622,897,440
Store Building		5,827	3,824	8,975,231,238
Shopping Center		403	54	2,131,435,823
Hotel Motel		395	33,177	2,630,480,723
Service Station		320	20	182,564,453
Office Condominiums		303	57	42,614,588
Parking or Used Car Lot		900	345	570,530,873
Trailer Park		53	2,097	101,711,803
Auto Sales & Service Agency		125	129	133,148,373
General		1,687	3,357	2,394,838,863
INDUSTRIAL	TOTAL	4,409	10,922	6,299,538,633
Vacant		1,052	9	572,264,103
Factory		1,028	802	3,059,091,523
Warehousing		1,452	6,982	2,194,788,353
Bulk Storage		22	0	16,100,783
Extractive & Mining		45	2	41,033,713
Industrial Condominiums		283	46	120,786,503
General		527	3,081	295,473,653
IRRIGATED FARM	TOTAL	108	83	24,958,913
RURAL LAND (Non-irrigated)	TOTAL	785	18	346,141,443
INSTITUTIONAL	TOTAL	946	4,035	2,119,792,053
RECREATIONAL	TOTAL	2,374	1,197	610,223,163
MISCELLANEOUS	TOTAL	11	0	54,383,173
GRAND TOTAL		332,167	515,520	90,903,757,813

The above data is provided for your information and represents total assessed values of real property, prior to exemptions. If you have any questions, please contact Craig Rustad, Chief Deputy, Valuation, at (619) 531-5475.

GREGORY J. SMITH
County Assessor

R-296726



COUNTY OF SAN DIEGO

GREGORY J. SMITH
ASSESSOR/RECORDER/COUNTY CLERK



ASSESSOR'S OFFICE
1600 PACIFIC HIGHWAY, RM 103
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2000 INVENTORY OF PARCELS AND VALUES - CITY OF SAN DIEGO

		PARCELS	UNITS	ASSESSED VALUES
RESIDENTIAL	TOTAL	308,779	450,790	57,932,679,582
Time-share Condominiums		4,574	4,574	23,667,407
Mobilehomes		1,104	1,094	33,366,676
Vacant		6,174	19	584,058,315
Single Family		196,722	196,952	36,843,981,632
Duplex or 2 Houses		5,983	11,972	817,425,162
Multi 2 to 4 Houses		11,795	33,024	1,926,780,107
Multi 5 to 15 Units		5,373	42,055	1,771,241,821
Multi 16 to 60 Units		1,104	29,206	1,217,599,268
Multi 61 Units and Up		731	56,424	3,526,549,270
Condominium		74,538	75,120	11,148,201,627
Transitional		681	350	39,808,297
COMMERCIAL	TOTAL	11,083	40,413	16,095,704,636
Vacant		1,170	42	581,205,369
Store Building		5,760	3,397	7,769,694,585
Shopping Center		390	61	2,066,926,233
Hotel Motel		389	31,415	2,515,418,227
Service Station		320	19	168,943,396
Office Condominiums		298	57	39,067,179
Parking or Used Car Lot		899	348	477,080,999
Trailer Park		52	1,910	93,754,504
Auto Sales & Service Agency		126	130	129,010,197
General		1,679	3,034	2,254,603,947
INDUSTRIAL	TOTAL	4,416	8,737	5,757,682,753
Vacant		1,078	9	598,270,500
Factory		1,016	787	2,775,359,573
Warehousing		1,453	4,823	1,937,504,115
Bulk Storage		22	0	14,186,150
Extractive & Mining		45	1	39,773,521
Industrial Condominiums		280	48	108,437,233
General		522	3,069	284,151,661
IRRIGATED FARM	TOTAL	120	83	35,917,435
RURAL LAND (Non-irrigated)	TOTAL	839	23	420,804,845
INSTITUTIONAL	TOTAL	944	3,730	1,980,813,436
RECREATIONAL	TOTAL	2,182	747	562,816,322
MISCELLANEOUS	TOTAL	13	0	40,284,317
GRAND TOTAL		328,376	504,523	82,826,703,326

The above data is provided for your information and represents total assessed values of real property, prior to exemptions. If you have any questions, please contact Craig Rustad, Chief Deputy, Valuation, at (619) 531-5475.

GREGORY J. SMITH
County Assessor

SAN DIEGO COUNTY ASSESSORS OFFICE
NON-RESIDENTIAL NEW CONSTRUCTION (PROP 111)
ASSESSMENT ROLL 2001

6085-00 SAN DIEGO CITY

TAX RATE AREA	VALUE
08001	\$129,575,357
08005	\$38,000
08012	\$83,748,780
08015	\$200,000
08028	\$5,200,000
08032	\$9,500
08035	\$4,292,930
08048	\$3,500
08050	\$30,598,500
08070	\$3,848,000
08073	\$350,000
08100	\$1,612,000
08110	\$13,500
08114	\$94,000-
08118	\$152,946,426
08119	\$70,203,500
08129	\$8,765,000
08137	\$50,000
08139	\$7,783,000
08140	\$205,000
08141	\$43,146,000
08144	\$68,131,462
08149	\$500,000
08154	\$10,225,000
08159	\$9,860,000
08168	\$950,000
08169	\$1,282,700
08170	\$91,145,500
08172	\$1,618,000
08178	\$8,207,500
08179	\$135,000
08184	\$43,000
08186	\$5,250,000
08193	\$7,080,500
08195	\$1,180,000
08213	\$6,071,100
08215	\$17,582,000
08216	\$12,654,400
08217	\$59,315,500
08223	\$6,903,613
08230	\$250,000
08240	\$275,000
08241	\$3,435,650
08242	\$48,605,528
08243	\$157,000
08244	\$3,000,000

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SAN DIEGO COUNTY ASSESSORS OFFICE
NON-RESIDENTIAL NEW CONSTRUCTION (PROP 111)
ASSESSMENT ROLL 2001

6085-00 SAN DIEGO CITY

TAX RATE AREA	VALUE
08247	\$2,655,500
08248	\$80,000
08249	\$6,000
08255	\$504,300
08256	\$2,292,500
08260	\$7,000,000
FUND TOTAL	\$918,891,746

2-296726

NOTE: IF A TAX RATE (TRA) IS NOT LISTED, IT INDICATES THAT NO NEW NON-RESIDENTIAL CONSTRUCTION OCCURRED DURING THE TAX YEAR.