TO: James L. App, City Manager

FROM: Mike Compton, Director of Administrative Services

SUBJECT: Fiscal Year 2005 Budget Update

DATE: October 5, 2004

Needs:

Present fiscal year 2005 budget and 4-year financial plan update based upon passage of Proposition 1A, carry-over requests for fiscal year 2004, and preliminary year end results.

Facts:

1. On May 4, 2004, the Council adopted the fiscal year 2005 maintenance and operating budget that provided for the use of reserves to cover General Fund budget deficits.

2. The operating deficits (use of reserves/savings) were the result of an assumption that the State would take $1 million annually from the City.

3. Since that budget was adopted, Proposition 1A which would protect local revenues and reduces the projected $1 million annual State take away has been placed on the November ballot.

4. Approval of Proposition 1A would significantly improve the City's current budget and long term outlook as it eliminates the $1 million annual take away.

Analysis and Conclusion:

The following three factors will significantly impact the City's General Fund budget and projections:

1. Significantly improved year end results for fiscal year 2004; and
2. General Fund carry-over requests will have a much larger reserve/savings from which to be drawn; and
3. Proposition 1A, if approved by the voters will restore $1 million annually in resources to the General Fund.

Passage of Proposition 1A would increase General Fund revenues because the adotped budget assumed that the State would take $1 million annually beginning with fiscal year. If passed, the State reduction is limited to $364,900 this year and a like amount next year. This $729,800 is partially offset by the repayment of VLF reductions that occurred in fiscal year 2004. This fiscal year 2004 repayment will occur in fiscal year 2007 and the amount is $455,400.

Fiscal Impact:

Based upon the original assumptions in the adopted budget, General Fund reserve projections out through fiscal year 2008 are lowered to $2,125,600. With the improved fiscal year 2004 results, passage of Proposition 1A, General Fund reserves/savings would improve to $5,738,300 including the fiscal year 2004 carry over requests.

These figures include the impacts of the "triple flip". Triple flip being the means by which the State fund the debt service on the "bail out" bonds to balance their budget.

A detailed analysis is attached along with other pertinent data.

Options:

a. Receive and file; or

b. Amend, modify, or reject the above option.

City of El Paso de Robles

Revised Four Year Financil Projection
GENERAL FUND
Fiscal Years 2004-05 to 2007-08
(Revised for preliminary 2004 results passage of Prop 1A)

	Projected FY 2005	Projected FY 2006	Projected FY 2007	Projected FY 2008
General Fund				
Revenues - Final Budget Estimates	$ 17,442,700	$ 18,298,200	$ 19,136,800	$ 20,025,800
Expenditures - Approved Budget	(18,582,400)	(19,516,000)	(20,462,800)	(21,268,300)
	(1,139,700)	(1,217,800)	(1,326,000)	(1,242,500)
Net Transfers IN(OUT)	163,700	-	159,000	-
Base Budget Increase/(Decrease) Fund Balance	(976,000)	(1,217,800)	(1,167,000)	(1,242,500)
ERAF Revenue Backfill for Permanent VLF Reduction	995,700	1,015,600	1,035,900	1,035,900
"Triple Flip" Sales Tax Reduction	(1,646,000)	(1,736,500)	(1,832,000)	(1,932,800)
ERAF Revenue Backfill for Temporary Sales Tax Shif	1,646,000	1,736,500	1,832,000	1,932,800
Paso Share of $350 million State GF Contribution	(364,900)	(364,900)	-	-
VLF Loan Repayment for FY 2004 Loss	-	-	455,400	-
Net Increase/(Decrease) Fund Balance	(345,200)	(567,100)	324,300	(206,600)
FY 2004 Carry Over	(745,700)	-	-	-
Beginning Fund Balance (estimated)	$ 7,323,300	$ 6,232,400	$ 5,665,300	$ 5,989,600
Ending Fund Balance	$ 6,232,400	$ 5,665,300	$ 5,989,600	$ 5,783,000
Reserving Requirement Per Policy = 15%	34%	29%	29%	27%
FY 2005 Adopted Budget Assumptions:				
Net Increase/(Decrease) Fund Balance	(976,000)	(1,217,800)	(1,167,000)	(1,242,500)
Beginning Fund Balance	$ 6,728,900	$ 5,752,900	$ 4,535,100	$ 3,368,100
Ending Fund Balance	$ 5,752,900	$ 4,535,100	$ 3,368,100	$ 2,125,600
Reserving Requirement Per Policy = 15%	31%	23%	16%	10%

Revised 20Sept2004

FY04-05 and FY05-06 City Contributions to State General Fund

Pursuant to California Revenue and Taxation Code Section 97.71

Allocation: 1/3 on PropTax, 1/3 on SalesTax, 1/3 on VLF with cap of 4% and Floor of 2% of FY01-02 General Revenues

City/County	Allocation Based on PropertyTax	Allocation Based on SalesTax	Allocation Based on VLF	Initial Allocation on 1/3-1/3-1/3	Adjust for 2% floor & 4% cap	FY04-05 State General Fund Contribution	%ofFY02 General Revenues
CALIFORNIA							
CITIES						350,000,000	
SAN LUIS OBISPO COUN							
ARROYO GRANDE	94,356	88,704	65,386	248,446	- 5,434	243,013	3.2%
ATASCADERO	120,068	105,142	108,221	333,431	- 7,292	326,139	3.0%
EL PASO DE ROBLES	103,715	166,008	103,376	373,099	- 8,160	364,939	2.3%
GROVER BEACH	58,989	26,773	53,202	138,964	- 3,039	135,925	3.6%
MORRO BAY	67,678	38,112	42,194	147,984	+ 80,405	228,389	2.0%
PISMO BEACH	67,839	48,241	34,793	150,873	+ 30,000	180,872	2.0%
SAN LUIS OBISPO	215,196	300,245	179,180	694,621	- 15,192	679,429	2.3%

State Controller's Office
Division of Accounting and Reporting
Motor Vehicle License Fee Apportionment
AB 1457 Backfill Gap Loan Amounts

Total Backfill Gap Amount	$1,229,850,849.29	81.25% Fifty Percent to Cities/Counties	$499,626,907.52
81.25% Allocation	$999,253,815.04	81.25% County Per Capita	$14.03511065
18.75% Allocation	$230,597,034.25	81.25% City Per Capita	$16.95728923

	County Population	City Population	18.75% Population Payment	81.25% County Loan Amount	81.25% City Loan Amount	Less Hardship Amount	Net AB 1457 Backfill Gap Loan
Downey		[illegible]			[illegible]		[illegible]
Duarte		22,377			379,453.26		379,453.26
Dublin		35,545			602,746.85		602,746.85
Dunsmuir		1,923			32,608.87		32,608.87
East Palo Alto		31,117			527,659.97		527,659.97
El Cajon		96,680			1,639,430.72		1,639,430.72
El Centro		39,951			677,460.66		677,460.66
El Cerrito		23,551			399,361.12		399,361.12
El Monte		121,922			2,067,466.62		2,067,466.62
* El Paso De Robles		26,856			455,404.96		455,404.96 *
El Segundo		16,697			283,135.86		283,135.86
Elk Grove		111,717			1,894,417.48	-1,023,918.58	870,498.90
Emeryville		7,538			127,824.05		127,824.05
Encinitas		61,153			1,036,989.11		1,036,989.11
Escalon		6,640			112,596.40		112,596.40
Escondido		138,015			2,340,360.27		2,340,360.27
Etna		781			13,243.64		13,243.64
Eureka		26,271			445,484.95		445,484.95
Exeter		9,606			162,891.72		162,891.72
Fairfax		7,386			125,246.54		125,246.54
Fairfield		102,496			1,738,054.32		1,738,054.32
Farmersville		9,242			156,719.27		156,719.27
Ferndale		1,435			24,333.71		24,333.71
Fillmore		14,690			249,102.58		249,102.58
Firebaugh		6,172			104,660.39		104,660.39
Folsom		63,767			1,081,315.46		1,081,315.46
Fontana		145,770			2,471,864.05		2,471,864.05
Fort Bragg		7,104			120,464.58		120,464.58
Fort Jones		660			11,191.81		11,191.81
Fortuna		10,880			184,495.31		184,495.31
Foster City		29,828			505,802.02		505,802.02
Fountain Valley		56,268			954,152.75		954,152.75
Fowler		4,273			72,458.50		72,458.50
Fremont		208,998			3,544,039.53		3,544,039.53
Fresno		448,453			7,604,547.23		7,604,547.23

State Controller's Office
Division of Accounting and Reporting
Revenue and Taxation Code Section 97.70
Vehicle License Fee Adjustment Amounts
Revised September 16, 2004

	R&T 97.70 (c)(1)(A)(i) 2% VLF	R&T 97.70 (c)(1)(A)(ii) .65% VLF	City/County Adjustment	Countywide Adjustment
SAN LUIS OBISPO COUNTY	17,385,796		17,385,796	
Arroyo Grande	965,896	80,531	885,365	
Atascadero	1,612,069	134,483	1,477,586	
El Paso De Robles	1,581,544	132,176	1,449,368	
Grover Beach	772,606	64,388	708,218	
Morro Bay	613,298	51,101	562,197	
Pismo Beach	507,717	42,330	465,387	
San Luis Obispo	2,601,545	216,666	2,384,879	
Countywide				25,318,796

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TO: **City Officials**
FROM: Chris McKenzie, Executive Director
DATE: May 11, 2004
RE: Proposed Constitutional Amendment/Two-Year Budget Agreement and Summary of Proposed Agreement With Governor

SUMMARY OF PROPOSED AGREEMENT

The Governor has proposed that cities, counties, special districts and redevelopment agencies make a two-year contribution to solving the state's budget deficit of $1.3 billion per year. In exchange, he pledges to lead a campaign to secure legislative and voter support in November 2004 for a constitutional amendment with revenue and mandate protections equivalent to or better than the LOCAL Initiative. The Governor has personally committed to bring the same leadership as he exercised with workers' compensation reform and Proposition 57 and 58 to the passage of the new constitutional amendment. In the absence of an agreement, the Governor is expected to oppose the LOCAL initiative.

VLF Reduction Permanent/Additional Property Tax to Cities and Counties. The centerpiece of the proposal is a permanent reduction of the VLF rate from 2% to 0.65% (its current effective rate). This would trigger elimination of the VLF backfill (approximately $4 billion) which would be replaced with a like amount of property taxes, dollar-for-dollar, except for a two year "contribution" by cities and counties of $700 million ($350 million each) in both 2004-05 and 2005-06. In the third year, cities and counties would receive the full amount of the new property tax in exchange for the VLF backfill, and it would grow as property tax grows in the future. This would increase every city's and every county's share of the property tax.

Alternative Constitutional Amendment. The new constitutional amendment would contain the same revenue protection features as the LOCAL Initiative as well as some new features that enhance the level of revenue and mandate protection:

- Property Tax. Protect the property tax allocations of local governments[1], including the new property tax received as a result of the VLF Backfill-Property Tax Swap and the property tax received by cities and counties in lieu of the ¼ cent local sales tax suspended as part of the Prop. 57 "triple flip."
- VLF. Protect the remaining VLF and require repayment of the current year's $1.3 billion VLF backfill "loan" in 2006-07.
- Sales Tax. Protect the authority and method of distribution of the local sales tax, and guarantee that the Bradley-Burns sales tax is returned to the full rate when the Prop. 57 state deficit bonds are retired. A new provision would protect the new local option sales tax authority granted to all cities and counties last legislative session.
- Unfunded Mandates. New provisions would require: (1) repayment by the state of its deferred unfunded mandate obligations to local governments over five years, beginning in 2006-07; and (2) that mandates automatically expire if the legislature fails to fund them.

[1] Like the LOCAL Initiative, the alternative would protect city, county, special district and RDA revenues.

- Amendment And Two-Year Budget Agreement Legally Linked. The two-year budget agreement can only take effect if the new constitutional amendment is approved by the legislature and passed by the voters. After two years, cities would get back the VLF backfill loan and the state could no longer take the protected revenues to balance the state budget.

Two-Year Cost for Cities. The proposed "contribution" for cities in 2004-05 and 2005-06 is $350 million for each of two years and is similar in nature to the $520 million VLF backfill "loan" that cities made to the state in the current (2003-04) fiscal year. In its meeting on Saturday the Board working group concluded the multi-year impact of the two-year budget agreement and the new constitutional amendment should factor in both the repayment of the 2003-04 VLF loan and the effect of the constitutional protections provided by the new constitutional amendment. They advise city officials to consider the proposal in this way:

Contribution/Refund (millions)	**2004/05**	**2005/06**	**2006/07**	**2007/08**	**2008/09/Thereafter**
	($350)	($350)	$520	0	0

RECOMMENDED ALLOCATION METHOD

Allocation Principles. The Board working group met on Saturday, May 8 in the League's Sacramento offices. A number of other city officials and their representatives attended as well. The directors reviewed a wide range of options for allocating the proposed $350 million reduction. The group agreed at the outset it was essential to develop a recommended allocation method that was based on the following principles:

- Fiscal capacity (e.g., ability to pay)
- Fairness
- Simplicity and consistency
- Relevancy

Diversity of Cities Poses Challenges. The working group reviewed allocation methods based on the VLF (the revenue being replaced dollar-for-dollar), ERAF, sales tax, total property tax, and total general revenues. The group concluded early in its review that the diversity of revenues of California cities suggested that reliance on a single revenue source or method alone was likely to cause extreme hardship for some cities. For example, cities with high reliance on the VLF (new cities and some others) would experience a disproportionate share of the burden that could not be justified. The group also concluded that ERAF should be rejected as a basis because it bears no relationship to the actual reduction and it is an obsolete basis for any allocation.

A Blend of Revenues Approach Is Recommended. As the working group made its way Saturday through over six possible methods of allocating the $350 million, a strong consensus emerged to base the allocation on a blend of the three largest discretionary city revenues: VLF, property tax and sales tax, with a minimum and a maximum tied to the total general revenues of each city so no one city fails to pay their fair share or pays too much in relationship to their fiscal capacity. This approach was selected unanimously because all cities receive these three revenues, variations among cities generally reflect each city's relative fiscal capacity or ability to pay, and the floor and ceiling ensure that cities with the fiscal capacity make a minimum contribution and that cities with the least fiscal capacity have their liabilities capped. Specific details of the formula are as follows:

- The Board working group by overwhelming consensus recommended that the Board approve a recommendation to the Governor and Legislature that the $350 million be allocated as follows:

- **One-Third on VLF.** One third of the $350million on the basis of cities' proportionate share of the VLF;
- **One-Third on Property Tax.** One third of the $350 million on the basis of cities' proportionate share of the property tax; and
- **One-Third on Sales Tax.** One third of the $350 million on the basis of cities' proportionate shares of the Bradley Burns sales tax.
- **Minimum and Maximum.** No city shall have a contribution of more than 4% or less than 2% of their general revenues. The fiscal impacts of the cap and floor will be allocated proportionately.

A **DRAFT** spreadsheet is available on the League website that shows the recommended allocation method and the long-term impact of the adoption of the proposed constitutional amendment protecting local revenues. City officials can see the effect of the repayment in 2006-07 of the VLF backfill loan on the three-year cost of the contribution. Over two years cities will pay in $700 million, but in the third year they will get back $520 million, for a net three-year cost of $180 million. Future contributions would be prevented by the amendment. **A REVISED SPREADSHEET BASED ON UPDATED INFORMATION FROM THE STATE CONTROLLER'S OFFICE ON GENERAL REVENUES WILL BE SENT TOMORROW.**[2]

KEY QUESTIONS AND ANSWERS

1. **Why Didn't the Working Group Recommend A VLF or ERAF Based Allocation Method?** The Board working group concluded that a VLF based method would work for some cities, but for many it imposed an unfair burden, especially those that very dependent on the VLF. They rejected the ERAF method as totally unrelated to the loss and as an obsolete methodology. In fact, with the VLF backfill—property tax exchange, local governments will be paid <u>from</u> the county ERAF fund rather than paying into it. The Board working group concluded that an approach based on a mix of revenues was fairer and better reflected the financial realities of the cities of the state.

2. **Why Is An Allocation Method Needed Now?** The Governor's Office asked each local government group to develop a recommended allocation system for their respective share of the $1.3 billion contribution. Each group did it differently, but each approach reflects the best fit for their type of local government. For special districts and redevelopment agencies, an approach based on a percentage of revenues is being used, but because they are highly property tax dependent it heavily influences the result. Ultimately, the Legislature will decide how this will be done, but the League needed a recommended approach to share with member cities, the Governor and the Legislature. The League Board of Directors will review this recommendation on Wednesday, May 12.

3. **Why Were Minimum and Maximum Levels Recommended?** The Board working group really wanted to recommend an approach that doesn't have any extremes and that treats cities as much alike as possible. The blended revenues approach avoided most, but not all extremes, so the ceiling and floor were included to accomplish that goal. The group concluded it was a fair allocation and it is relatively easy to understand.

4. **Why Isn't There A Specific "Hardship City" Allocation?** The Board working group believes the final recommended allocation method based on blended revenues with a minimum and maximum provides that protection. This approach significantly softens the

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[2] At the time the spreadsheet was prepared, 2001-02 city general revenue information was not available from the State Controller's office. All other data are 2001-02. An update will be sent tomorrow.

impact on cities of limited means and new cities that receive a three-fold share of the VLF based on registered voters during the early years of their existence.

5. **What If The Legislature Fail to Approve the New Constitutional Amendment?** If the Legislature fails to act, the two-year budget agreement would not take effect. In that event, efforts may be made to secure a one-year local government contribution in some other way which the League would oppose. The new constitutional amendment and the two-year budget agreement are interconnected in such a way that it requires passage in the legislature and in November for the budget agreement to stand. In any case, the LOCAL Initiative will serve as the backstop in case the legislature fails to act.

6. **Will the LOCAL Initiative Still Be On the Ballot As An Insurance Policy?** Yes. It is in the process of being qualified right now and we have no doubt it will. It will be on the November ballot and is still the focus of our fundraising efforts and campaign work. Nothing will change that until the alternative, in a form acceptable to the LOCAL Coalition, is approved by the Legislature.

CONCLUSION

The League Board of Directors reviewed this proposal and endorsed it on Wednesday, May 12, prior to LOCAL Legislative Action Days. The General Assembly adopted a resolution on Thursday, May 13 ratifying the Board's actions.

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Proposed Agreement With Governor Arnold Schwarzenegger

November 2004 Constitutional Amendment

- **VLF Repayment.** Require repayment in 2006-07 of 2003-04 VLF Backfill Loan ($520 million back to cities).

- **VLF Reduction/New Property Taxes to Cities.** Lower the VLF permanently to 0.65% from 2%, and provide property taxes to cities and counties to offset VLF backfill (less $700 million for 2 years--$350 million city and $350 million county).

- **No Future Tax Raids.** Prohibit the state from taking the property tax, sales tax, and the remaining VLF of local governments.

- **Mandate Reimbursements.** Require payment of deferred mandate reimbursements to local government, beginning in 2006-07.

- **Automatic Repeal of Mandates.** Require that failure to pay mandate reimbursements in timely way will trigger repeal of law imposing mandate.

- **Property Tax Backfill.** Guarantee payment of the property tax backfill to cities and counties due to the Prop. 57 "triple flip" (which suspended ¼ cent local sales tax).

- **Sales Tax Returned.** Guarantee that the Bradley-Burns sales tax is restored to the full rate when the Prop. 57 bonds are repaid.

- **No Property-Sales Tax Exchange.** Oppose addition of property-sales tax exchange.

- **Governor to Chair Campaign.** Governor advocates legislative approval of the proposed amendment and serves as chairman of the campaign to secure voter approval in November 2004.

- **LOCAL Initiative Still on Ballot.** The *Local Taxpayers and Public Safety Protection Act* remains on the November 2004 ballot in the event legislature does not approve "agreement". If legislative approval were secured, the League and the LOCAL Coalition would devote all of our efforts to passage of the new constitutional amendment.

May 13, 2004

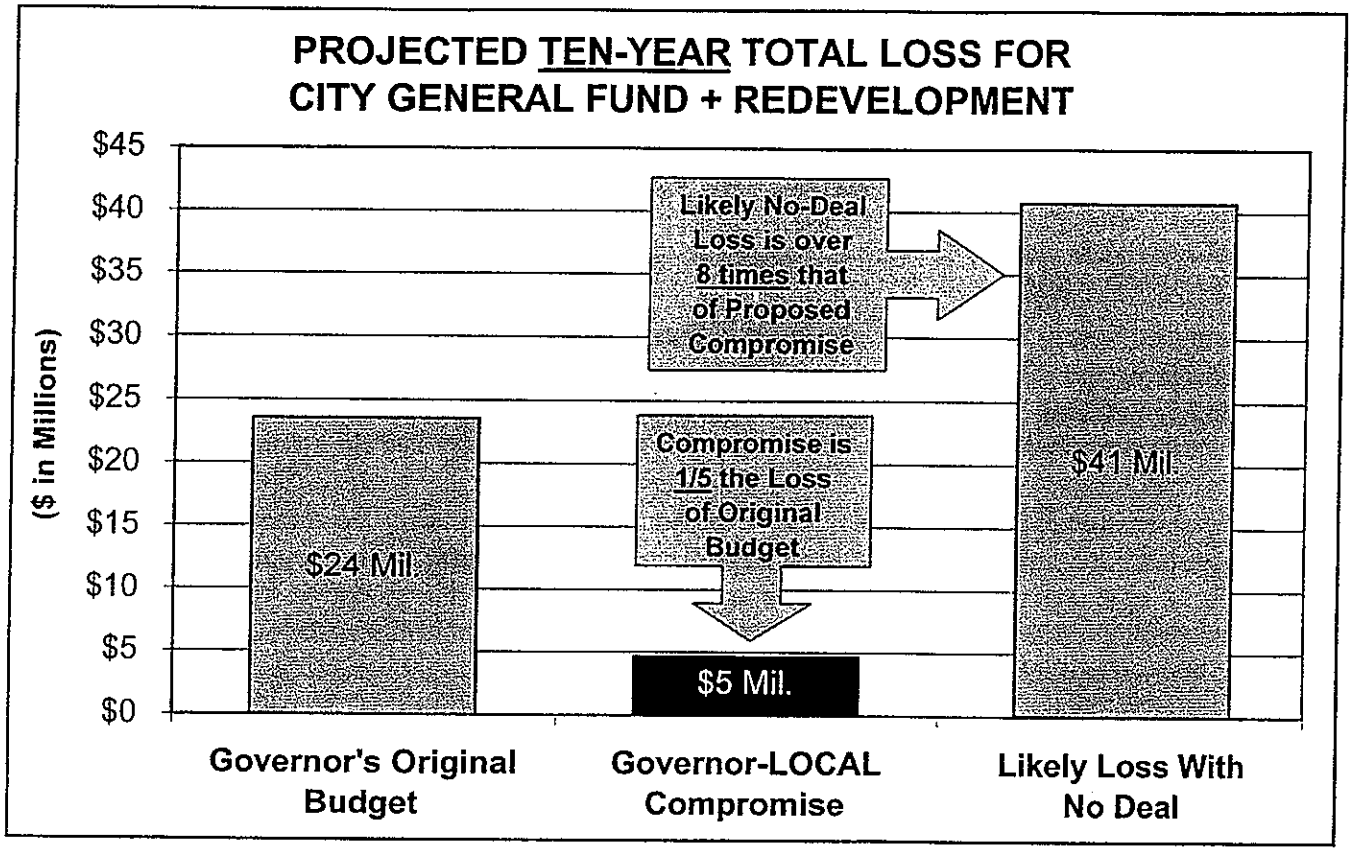
Figure 11

Allocation of $1.3 Billion Revenue Shift

Agencies—Amount	Allocation
Cities—$350 million	Each city's reduction reflects its proportionate share of statewide city vehicle license fee (VLF) revenues, property taxes, and sales taxes. Each city's reduction must be at least 2 percent—and not more than 4 percent—of the city's general-purpose revenues.
Counties—$350 million	Each county's reduction reflects its proportionate share of 2003-04 county nonrealignment VLF. (This formula is similar to imposing reductions on a population basis.)
Special districts—$350 million	Enterprise special districts (largely water and waste disposal districts) shift 40 percent of their property taxes. Nonenterprise special districts—with the exception of fire, police, healthcare, and library districts—shift 25 percent of their property taxes. If a fire, police, or healthcare district receives more than $1 million per year from property taxes, the district shifts 3 percent of its property taxes. Library districts and fire, police, and healthcare districts receiving less than $1 million in property taxes are exempt. If this methodology fails to generate $350 million statewide, the percentage reductions are increased proportionately for districts other than police, fire, and healthcare.
Redevelopment agencies—$250 million	Half of the amount ($125 million) is allocated among redevelopment agencies based on their relative share of gross tax increment revenues. The other half is allocated based on tax increment net of revenues "passed-through" to other agencies. This formula is similar to the Educational Revenue Augmentation Fund (ERAF) methodology in current law. If an agency fails to make its payment to ERAF, the city or county sponsoring agency makes the payment. The life of all redevelopment agencies is extended by two years.

From Legislative Analyst's Office Overview of the 2004-05 May Revision.

ACTUAL CITY EXAMPLE



(Annual Loss in Millions of Dollars)

Governor's Original Budget:	04/05	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14	Total
General Fund	$0.7	$0.8	$0.8	$0.9	$0.9	$1.0	$1.0	$1.0	$1.1	$1.2	$9.4
Redevelopment	1.1	1.2	1.2	1.3	1.4	1.4	1.5	1.6	1.7	1.7	14.2
Total	1.9	2.0	2.1	2.2	2.3	2.4	2.5	2.6	2.8	2.9	**23.5**

Governor-LOCAL Compromise:	04/05	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14	Total
General Fund	$1.1	$1.1	($1.8)	-	-	-	-	-	-	-	$0.4
Redevelopment	2.1	2.1	-	-	-	-	-	-	-	-	4.2
Total	3.2	3.2	(1.8)	-	-	-	-	-	-	-	**4.7**

Likely Loss With No Deal:	04/05	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14	Total
General Fund	$1.1	$1.2	$1.2	$1.3	$1.4	$1.4	$1.5	$1.6	$1.7	$1.7	$14.2
Redevelopment	2.1	2.2	2.3	2.4	2.6	2.7	2.8	3.0	3.1	3.3	26.6
Total	3.2	3.4	3.6	3.7	3.9	4.1	4.3	4.6	4.8	5.0	**40.7**

Notes: Includes impact on property taxes and VLF; excludes state mandated cost reimbursements.
In 06/07, Governor-LOCAL Compromise returns VLF loss incurred in 03/04.
No Deal means no Compromise Plan and either (a) LOCAL initiative fails, or (b) LOCAL initiative passes, but subsequent voter referendum on state-enacted local revenue takeaways also passes.
No Deal assumes ERAF loss in 04/05 for both City and RDA at same level as Compromise Plan, but loss is permanent.

Alameda County City Managers Meet with Members of the CalPERS Board

Members of the Alameda County City Managers Association met with members of the CalPERS Board on Wednesday, March 10th, to discuss pension and health care issues. The CalPERS Board members who attended were Board President Sean Harrigan, Board Vice President Rob Feckner, and Members Priya Mathur and Kurato Shimada.

City managers expressed their concerns with continued increases in health care premiums and lack of plan flexibility, and the increases high pensions. In regard to the city managers' health care premium concerns, Harrigan and other members of the Board highlighted the efforts made by the Contracting Agency Panel, which consist of management and labor representatives and stressed their commitment to considering all of the recommendations that was presented by that Panel at the last Board meeting. Board members also stressed that the high cost in pensions are due primarily to CalPERS' investment returns over the past couple of years. Cost increases can be contributed to benefit enhancements as well, but local agencies should also be aware that the market is improving and that CalPERS' investments were higher than anticipated this year. (The actuarial calculations were at 4% in 2002-03 and the 10- year compounded return on June 30, 2003 was 8.23%.)

Harrigan stressed the importance of local agencies participating in the Board meetings by telling them, "The squeaky wheel gets the oil." He and the Board look forward to working with public agencies to restore the PEMHCA program, and to collaborate on how to curb high pension spikes. The next Health Benefits and Administration committee meetings are on March 16th in Sacramento starting at 9:00 a.m.

If your city managers, finance officers, human resources managers, or mayors and council members groups are interested in having CalPERS Board members attend your meeting, contact Amy Brown at 916-658-8279 for more information.

The VLF for Property Tax Swap of 2004
Facts for Local Officials

Rev. Sept 13 2004

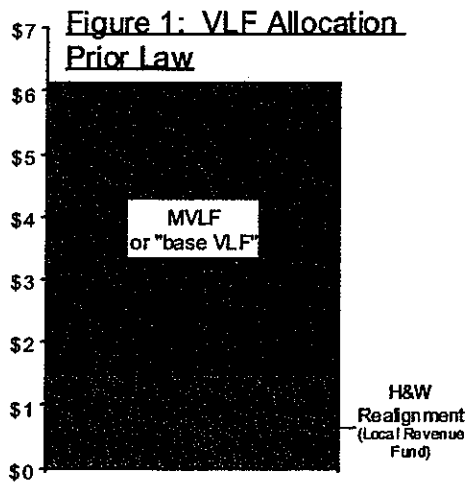
In May 2004, Governor Schwarzenegger proposed a VLF for property tax swap as a part of a state-local budget agreement. The legislature included its version of the swap in the 2004 budget package. This paper outlines the proposed swap in some detail.

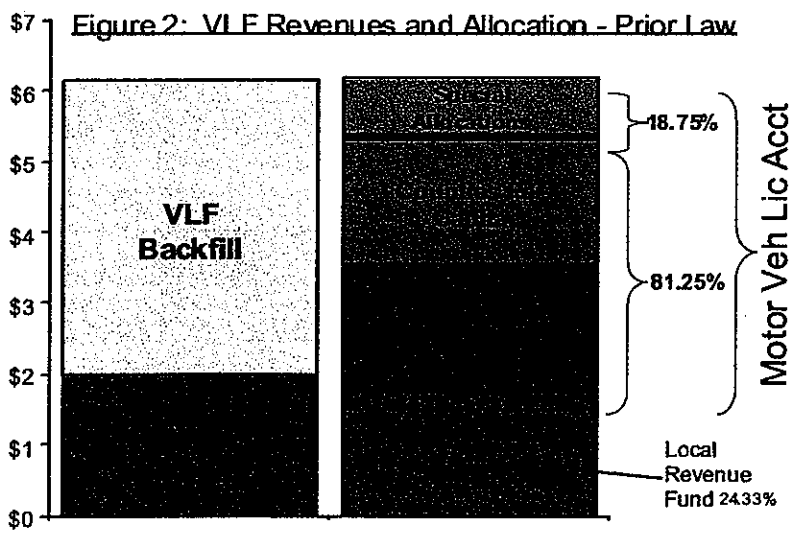
I. The VLF Prior to the 2004 Budget Act

Prior to the 2004 budget act, VLF tax rate was 2% of the value of the vehicle. The state general fund "offset" 67.5% of this tax resulting in an effective tax rate of 0.65%. VLF taxpayer revenues were supplemented with a backfill from the state general fund to provide cities and counties with revenues equivalent to a full 2% VLF tax rate.

Under Section 11001.5 of the Revenue and Taxation Code, 24.33% of VLF funds were allocated to the Local Revenues fund to pay for health and welfare programs largely provided by counties under a state-local program realignment in the early 1990s. Of the remaining amount, about $275 million went to reimburse state agencies for administrative costs of the program (Department of Motor Vehicles, Franchise Tax Board, and State Controller). Of the amount remaining after realignment and administrative charges are taken out, 18.75% was allocated for special payments including supplemental funds for cities that did not levy a property tax in 1977-78, eligible low property tax cities incorporated prior to 1987, and supplemental funds for counties. The 81.25% was allocated half to cities and half counties on a population basis.[1]

Figure 1-2 shows the revenues and allocations of the VLF under the prior law.





[1] For more information on the history and allocation of the VLF see "VLF Facts: A Primer on the Motor Vehicle In-Lieu Tax, the Car Tax Cut and Backfill" at www.californiacityfinance.com/VLFfacts04.pdf and other resources at www.californiacityfinance.com/#VLF

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II. VLF-Property Tax Swap of 2004, State General Fund Contribution and Constitutional Amendment

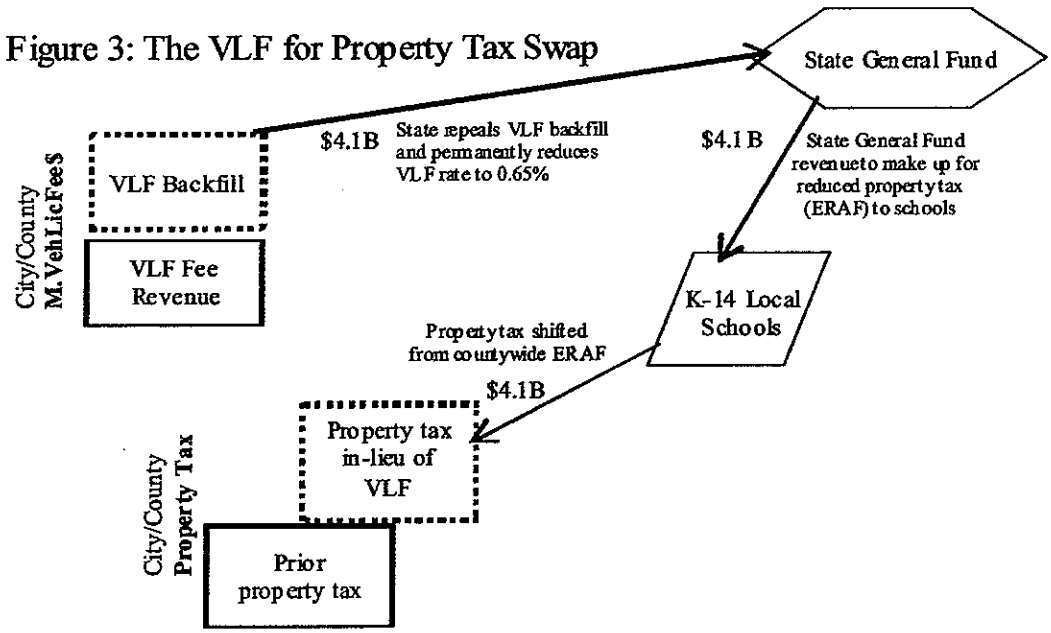
Soon after the LOCAL coalition qualified Proposition 65 for the November ballot, Governor Schwarzenegger proposed that cities, counties, special districts and redevelopment agencies make a two-year contribution to solving the state's budget deficit of $1.3 billion per year. In exchange, the Governor pledged to lead a campaign to secure legislative and voter support in November 2004 for Proposition 1A, a constitutional amendment with important revenue and mandate protections for cities, counties and special districts. The agreement also includes the permanent elimination of the Vehicle License Fee backfill and replacement with a like amount of property tax revenue to cities and counties (except for the 2 year state budget contributions). Following negotiations, the legislature passed and the Governor signed a state budget containing these essential elements.

A. Constitutional Amendment.

The legislature placed Proposition 1A on the November ballot. Proposition 1A is a constitutional amendment that contains essentially the same revenue protection features as Proposition 65 as well as some new features that enhance the level of revenue and mandate protection.[2]

B. VLF Reduction Permanent/Additional Property Tax to Cities and Counties.

The 2004 budget includes a permanent reduction of the VLF rate from 2% to 0.65% (its current effective rate). The VLF backfill (approximately $4 billion) is eliminated and replaced with a like amount of property taxes, dollar-for-dollar. Subsequent to the FY04-05 and FY05-06 base years, each city's (and county's) "property tax reimbursement amount" or "property taxes in lieu of VLF" will increase in proportion to the growth in gross assessed valuation in that jurisdiction.



[2] For more info on the Proposition 1A, see http://www.yesonprop1a.com

C. Two Year State General Fund Contribution.

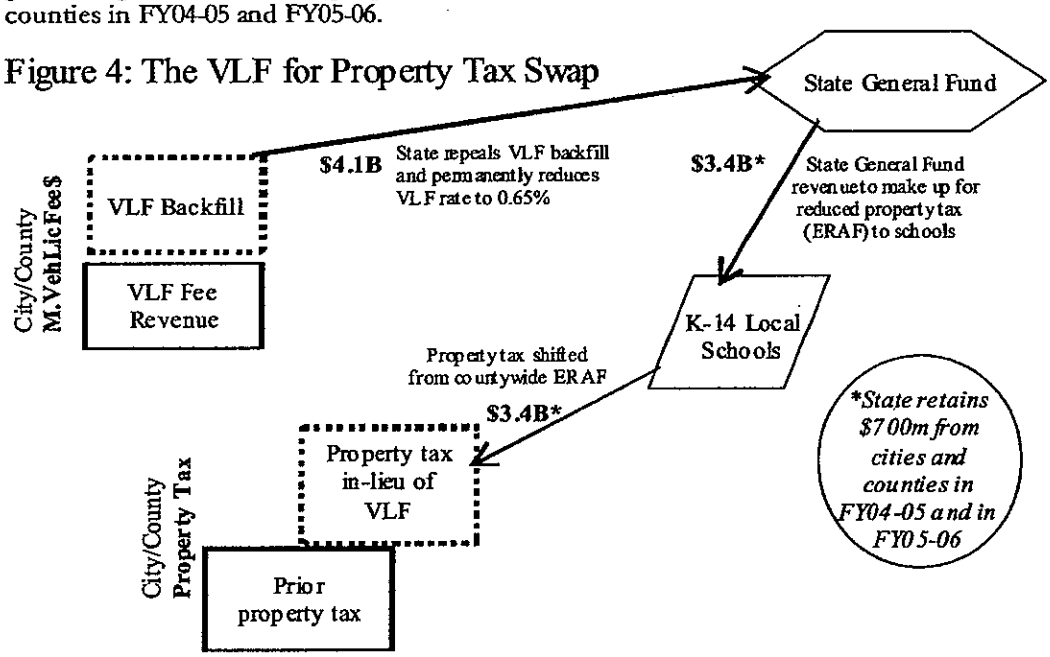
In both 2004-05 and 2005-06 cities and counties will make contributions to the state general fund of $700 million ($350 million for cities, $350 million for counties). These contributions will come from reductions to each agency's "property taxes in lieu of VLF."

The $350 million state general fund contribution from cities will be allocated as follows:

- One-Third in proportion to VLF. One third of the $350million on the basis of cities' proportionate share of Vehicle License Fee revenues;
- One-Third on Property Tax. One third of the $350 million on the basis of cities' proportionate share of property tax revenues; and
- One-Third on Sales Tax. One third of the $350 million on the basis of cities' proportionate shares of the 1% Bradley Burns sales and use tax.
- Minimum and Maximum. No city shall have a contribution of more than 4% or less than 2% of their FY01-02 general revenues. The fiscal impacts of the cap and floor will be allocated proportionately.[3]

The $350 million state fund contribution from counties will be allocated in proportion to VLF. Revenue and Taxation Code Section 97.71 contains the specific amounts for each county. Redevelopment agencies and special districts would also make state general fund contributions in FY04-05 and FY05-06 in the amounts of $250 million and $350million respectively.

Figure 4 diagrams the VLF for property tax swap taking into account the $700 million contribution from cities and counties in FY04-05 and FY05-06.



D. The New VLF Allocation.

Under the new law, the VLF remaining after the repeal of the VLF backfill first goes to maintain full funding of health and welfare programs largely provided by counties under a state-local realignment shift in the early 1990s. In this way the VLF continues to provide the same level of funding for these programs.

[3] For more detail on these allocations see www.californiacityfinance.com/City350calcs040913.pdf

Remaining VLF revenue will be deposited in the Motor Vehicle License Fee Account. These funds, less administrative charges and $54 million in funding for Orange County's debt service, will be allocated to cities on a per capita basis.

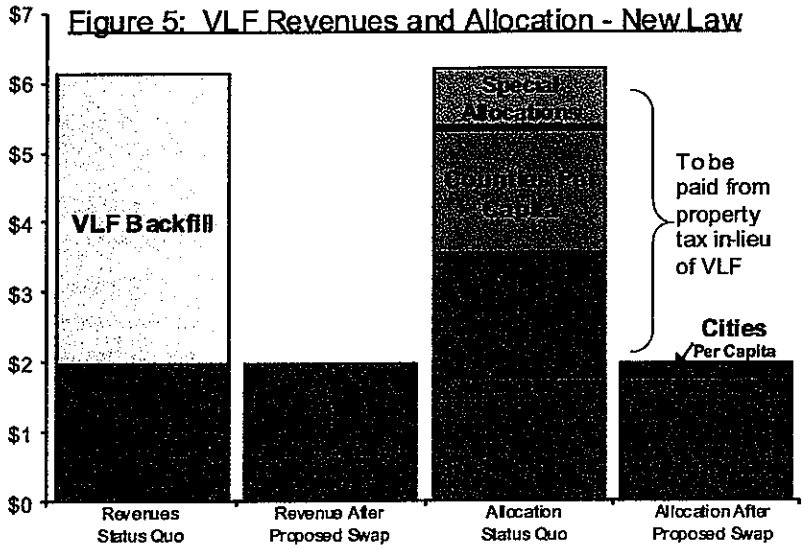
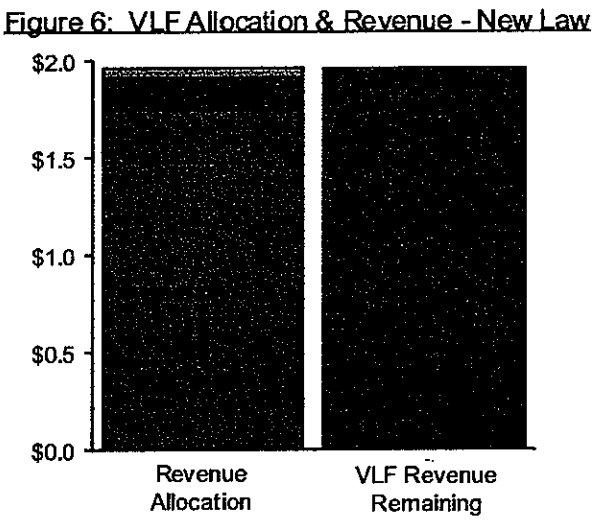


Figure 5 shows the effect of the proposed reduction in VLF backfill and the allocations that would be swapped into "property tax in-lieu of VLF." Figure 6 shows the new VLF allocations and revenues under the proposal.



III. City Allocations of VLF and Property Tax In-Lieu of VLF

Figure 7 shows the total VLF allocation to cities under the prior law and the new swap – *before* the state general fund contribution from cities. The remaining VLF to cities under the proposal amounts to about 12.5% of city VLF revenue under current law.

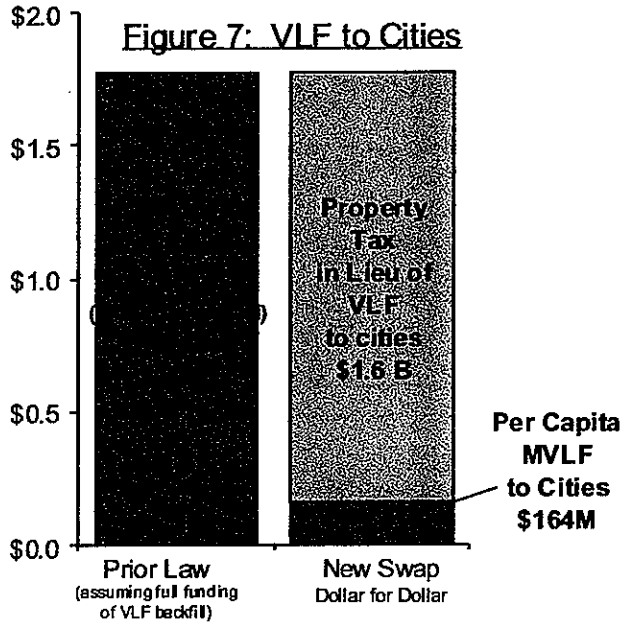


Figure 8 shows how city VLF and "property tax in-lieu of VLF" will grow in future years. VLF revenues will grow as taxpayer VLF revenue to the MVLF account grows. Allocations to individual cities will continue to be affected by each city's population growth relative to the population growth in cities statewide. Cities will continue to have their population figures based on three-times-registered voters for the first seven years of their incorporation. "Property tax in-lieu of VLF" will grow in proportion to the growth in each jurisdictions gross assessed valuation.

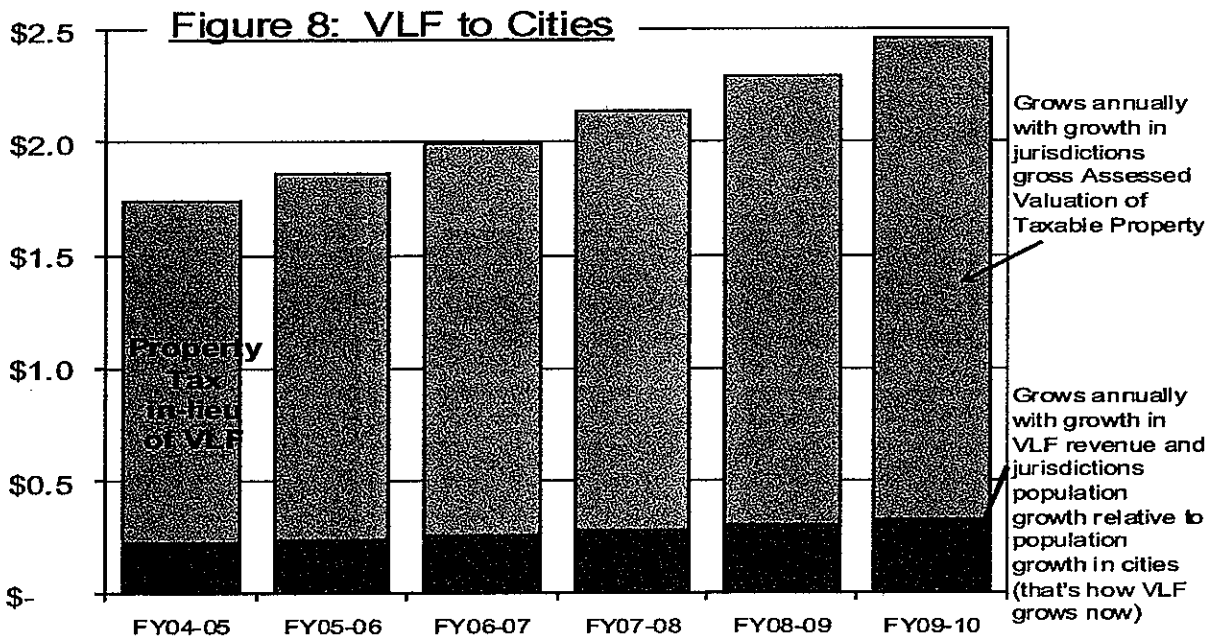


Figure 9 shows the growth in city VLF and "property tax in-lieu of VLF" with the FY04-05 and FY05-06 state general fund contributions.

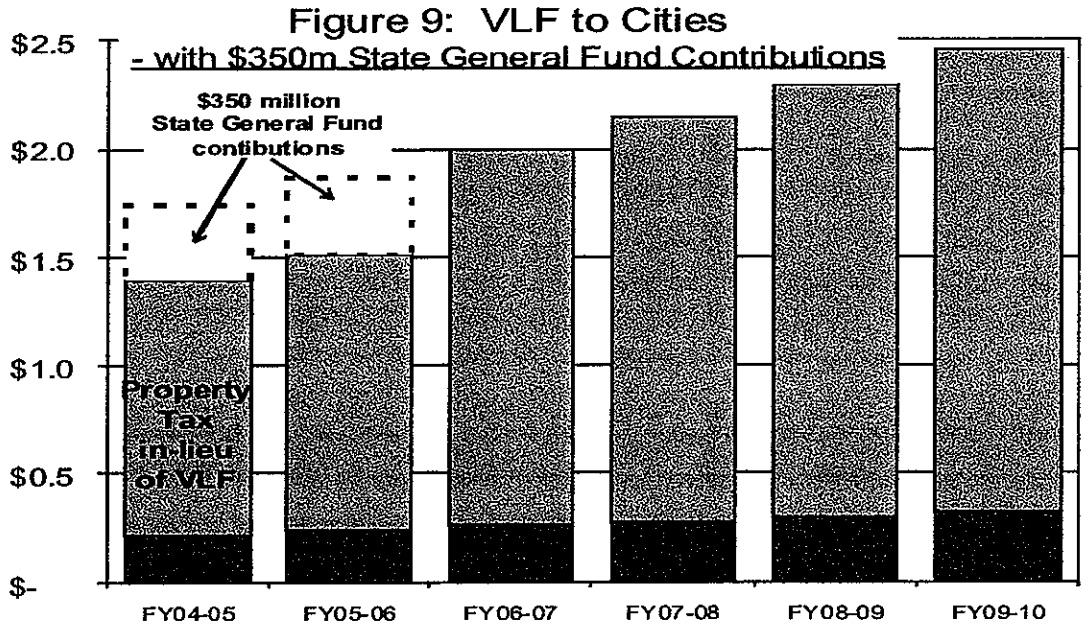


Figure 10 shows estimated allocations for FY04-05 for VLF and "property tax in-lieu of VLF" for cities and counties statewide and individual cities and the county in Sonoma County. Column A shows the estimated *non-realignment* (MVLF) allocations to cities and the county under current law, with the VLF backfill fully funded. Column B shows the MVLF allocations following the repeal of the VLF backfill and the property tax swap. Column C shows the amounts to be paid as property tax in-lieu of VLF – prior to state general fund contribution. Column D shows the FY04-05 reduction for state general fund contribution. Column E shows the property tax in-lieu of VLF net of the state general fund contribution. A complete listing of estimates for all cities and counties is available at www.californiacityfinance.com/VLFestimatesFY05.pdf.

Figure 10

VLF Backfill for Property Tax Swap: *City and County Estimates for FY04-05*

Revised 20Sept2004

City/County	A VLF with Backfill FY 2004-05 Prior Law	B MVLF Allocation FY04-05	C=A-B PropTax InLieu of MVLF FY04-05	D City/County State GenFund Contribution FY04-05	E=C-D PropTax in-lieu of VLF net of Contribution FY04-05
CALIFORNIA					
CITIES	+1,772,990,872	+163,671,000	+1,609,319,872	-350,000,000	+1,259,319,872
COUNTIES	+2,507,009,128	+54,000,000	+2,453,009,128	-350,000,000	+2,103,009,128
STATE TOTAL	+4,280,000,000	+217,671,000	+4,062,329,000	-700,000,000	+3,362,329,000
SONOMA COUNTY					
CLOVERDALE	+468,487	+41,233	+427,254	-73,620	+353,633
COTATI	+416,163	+36,486	+379,677	-71,594	+308,082
HEALDSBURG	+686,450	+60,258	+626,192	-141,953	+484,239
PETALUMA	+3,306,553	+290,372	+3,016,180	-692,709	+2,323,471
ROHNERT PARK	+2,506,597	+219,754	+2,286,843	-470,889	+1,815,954
SANTA ROSA	+9,131,270	+802,096	+8,329,173	-1,942,437	+6,386,736
SEBASTOPOL	+458,945	+40,215	+418,730	-102,526	+316,205
SONOMA	+574,306	+50,375	+523,931	-133,204	+390,728
WINDSOR	+1,472,106	+128,742	+1,343,364	-271,873	+1,071,491
County of SONOMA	+32,842,324	+0	+32,842,324	-4,439,389	+28,402,935

Figure 10a Example FY04-05 Comparison of Current Law to Swap With Contribution

City of Windsor

Prior Law			VLF-PropTax Swap of 2004		
VLF Including backfill	1,472,106	(A)	Veh Lic Fee Revenue	128,742	(B)
			Property Tax in-lieu of VLF	1,343,364	(C=A-B)
			State General Fund Contribution	(271,860)	(D)
			Property Tax in-lieu of VLF -net paid to city	1,071,504	(E=C-D)
Total	1,472,106		Total	1,200,246	

IV. The VLF - Property Tax Swap and the "Triple Flip."

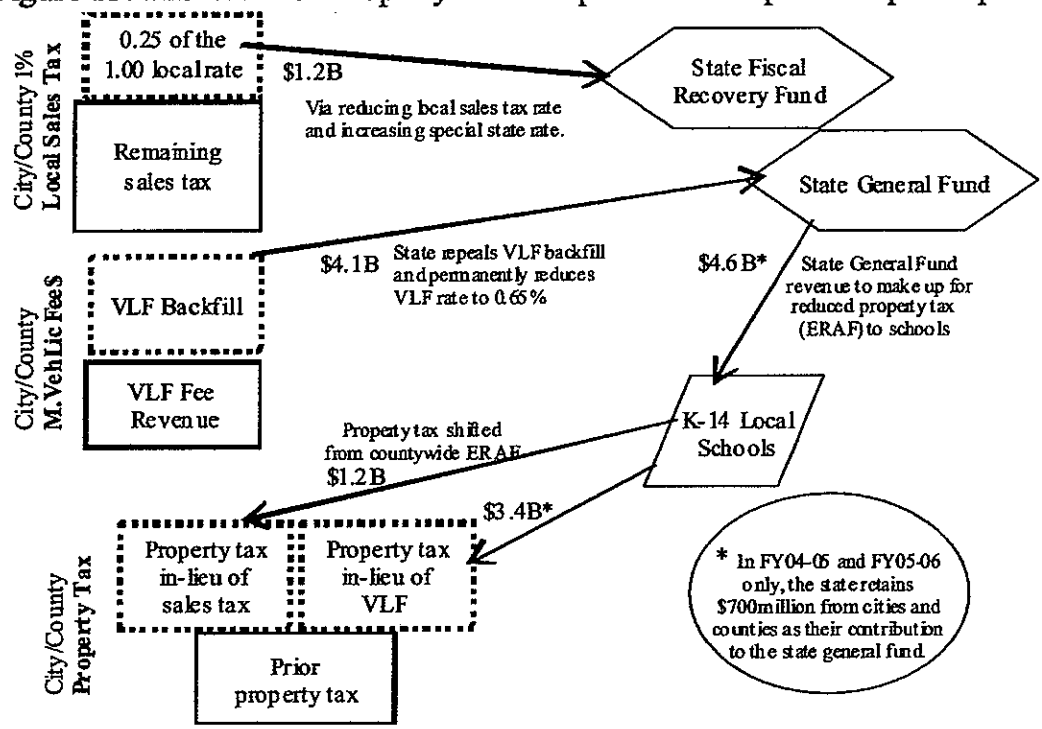
As a part of the Proposition 57 state fiscal recovery funding mechanism, cities and counties are currently receiving property tax payments in lieu of ¼ cent sales and use tax they would otherwise receive under the Bradley Burns local sales and Use tax. In each county, the County Auditor determines the county's and each city's compensation amount and makes the transfers to each jurisdiction from the countywide ERAF (Education Revenue Augmentation Fund). The state fully compensates school agencies for the reduced ERAF with higher payments from the state general fund. This mechanism is generally referred to as the "triple flip."

This ***property tax in lieu of sales tax*** operates similar to the way in which the ***property tax in-lieu of VLF*** would work. However, in the case of the in-lieu sales tax payments under the "triple flip," the property tax in lieu of sales tax increases each year in relation to the sales and use tax each jurisdiction would otherwise have received. In effect, year to year growth is in proportion to each jurisdiction's year-to-year growth in sales and use tax revenue. By contrast, the ***property tax in lieu of VLF*** would grow in subsequent years with each jurisdiction's change in the gross assessed value of taxable property.

Because the growth formula is tied to sales tax and because it is temporary, ***property tax in lieu of sales tax*** under the triple flip should be generally be considered a subset of "sales tax revenue". Because it would be permanent and because its growth would be tied to the assessed valuation of real property, ***property tax in lieu of VLF*** should be considered a subset of property tax.

Figure 11 shows the combined interaction of these two revenue swaps. While they operate through similar mechanisms, these two "flips" do not affect each other.

Figure 11: The VLF for Property Tax Swap and the Prop 57 "Triple Flip"



V. Frequently Asked Questions About The VLF for Property Tax Swap

1 *The formula allocating each city's share of the $350 million state general fund contribution in FY04-05 and FY 05-06 is based on property tax, sales tax, and VLF. Will each of these sources be reduced?*
No. The city and county contributions will be taken from a reduction in "property tax in-lieu of VLF"

2 *How is annual growth in the* ***"property tax in lieu of VLF"*** *determined?*
After the dollar-for dollar swap in FY04-05, county auditors will change property tax in lieu of VLF payments to cities and counties in proportion to each jurisdiction's annual change in gross Assessed Valuation.

3 *Our city has a redevelopment agency and that reduces our property tax revenue growth because property tax growth in the redevelopment project area goes to the agency. Won't redevelopment also affect the growth of* ***"property tax in lieu of VLF?"***
No. The County Auditor will calculate your regular property tax allocation, the property tax increment allocation to your redevelopment agency and your AB8 shares first just as would be done absent the VLF for property tax swap. Then the County Auditor will look at the amount you are owed under the swap, which is your FY04-05 VLF loss due to the repeal of the VLF backfill with growth in proportion to the growth of gross assessed valuation (i.e. without netting out property tax increment growth going to redevelopment) in your jurisdiction. Thus, redevelopment's property tax revenue will not be affected, nor will redevelopment affect your property tax in lieu of VLF payments.

4 *How will annexations affect the* ***"property tax in lieu of VLF"*** *payments?*
In a change from the Governor's agreement with local governments, the legislature, in AB2115, provided for no property tax in lieu of VLF to replace the lost VLF in annexation areas. This seriously impacts the fiscal viability of annexations and needs to be resolved with new legislation as soon as possible.

5 *My city has been getting a special VLF allocation as a low property tax city. What happens to that?*
County VLF, and special VLF allocation will all be converted 100% into property tax in lieu of VLF.

6 *My city has a property tax sharing agreement with the county. Will this* ***"property tax in lieu of VLF"*** *be subject to revenue sharing?*
No. For the purposes of such agreements, the property tax in-lieu of VLF payments should be viewed as VLF revenue.

7 *My city has used VLF to back a debt issuance. With the loss of the VLF backfill, what happens to our financing?*
It should not be affected. For the purposes of such agreements, the property tax in-lieu of VLF payments should be viewed as VLF revenue.

8 *Our city is a low property tax city (because a fire district provides us fire service). Will our low property tax share affect what we get from the* ***"property tax in lieu of VLF?"***
It will have no affect. The amount you receive in property tax in lieu of VLF depends on how much VLF you lose due to the repeal of the VLF backfill with subsequent annual growth tied to total gross assessed valuation in your jurisdiction. Whether low or high, a city or county's share of secured and unsecured property taxes will have no affect.

9 *How will this VLF for property tax swap affect the Proposition 57 triple flip?*
It will have no affect. The two operate independently.

10 *How will this VLF for property tax swap affect our existing secured & unsecured and supplemental property tax revenues?*
The VLF for property tax swap and the "property tax in lieu of VLF" payments will have no affect on a city or county's other property tax revenues including Tax Equity Allocations for "no and low property tax" cities.

11 *Should I reduce the FY04-05 sales tax revenue estimate for my city by 1/3 of our state general fund contribution?*
No. Sales tax revenues will not be affected by the VLF swap or by the state general fund contribution. Sales tax revenues are a component of the formula used for determining each city's share of the state contribution from cities, but the entire amount of each city's state contribution will come from property tax, specifically property tax in lieu of VLF.

12 *Will there be enough money in the countywide ERAF to cover the payments of both the* ***"property tax in lieu of sales tax"*** *under the Proposition 57 triple flip and the* ***"property tax in lieu of VLF"*** *under this proposed swap?*
With $4.1 billion of property tax swapped for VLF backfill and $1.2 billion in property tax swapped for sales and use tax under the Proposition 57 triple flip, a number of counties will have insufficient money in ERAF to make the in-lieu property tax payments. In these counties, County Auditors will shift the necessary funds from school shares and (as in the case of the ERAF reductions) the school entities will be fully compensated from the state general fund.

13 *When will my city receive the* ***"property tax in lieu of VLF"*** *payments?*
As with the property tax in lieu of sales tax payments under the triple flip, property tax in lieu of VLF payments will be issued in January and May with a "true-up" payment in July/August.

14 *Will County Auditor charge cities and counties Property Tax Administration Fees for the* ***"property tax in lieu of VLF"*** *payments?*
No. Property tax administration fees are determined according to AB8 proportionate shares. The calculation of property tax in lieu of VLF payments occurs after AB8 shares are calculated and will not alter those figures. Moreover, the legislation implementing the swap specifically prohibits property tax administration charges for administering the property tax in lieu of VLF.

15 *Will the growth in the* ***"property tax in lieu of VLF"*** *be figured on the reduced amount (for the state general fund contributions) or on the total amount prior to the reduction?*
Year to year growth on the property tax in lieu of VLF payments in FY 05-06 and in FY06-07 will be determined on the prior year gross amount of property tax in lieu of VLF for each jurisdiction <u>prior to reduction for the state general fund contribution</u>.

16 *Of the proposed $1.3 billion local government state general fund contribution in FY 04-05 and FY 05-06, $350 million is from cities. Is this $350 million in addition to the $1.3 billion new ERAF shift proposed in the Governor's Proposed Budget in January?*
No. There is only one $1.3 Billion contribution from local governments contained in the FY04-05 state budget.

17 *You said my city's "property tax in lieu of VLF" will grow in proportion to the growth in assessed valuation in my city. Will our contribution to the state general fund grow also?*
No. The amount of contribution is $1.3 billion from local governments in FY04-05 and $1.3 billion in FY05-06. The amount for cities is $350million each in each year and each individual city's allocation will be the same amount in each year.

18 *When will cities get repaid for their $350 million contributions in FY04-05 and FY05-06?*
They will not. The local government contributions to the state in FY04-05 and FY05-06 are not loans. The amounts will not be repaid.

19 *What about the $1.3 billion VLF backfill gap in FY03-04? When will we get paid for that?*
The state is obligated by law to repay cities and counties for the VLF backfill gap from FY03-04 in August 2006. The local government agreement with the Governor includes a new provision in the constitutional amendment to reinforce this requirement.

20 *The FY06-07 VLF backfill gap repayments for cities in my area seem to have no relation to the FY04-05 and FY05-06 state general fund contributions. Why?*
There is virtually no connection. The FY06-07 VLF backfill gap repayments are for VLF revenues cities and counties should have received in FY03-04. The FY04-05 and FY05-06 state general fund contributions are based on a formula that is only partly related to each city's VLF. See Section II.C on page 3 of this report for a description of this formula. The funds to be repaid to cities and counties in FY06-07 have nothing to do with the amounts paid to the state in FY04-05 and FY05-06. The FY06-07 repayment is for the VLF backfill gap in the current FY03-04 year. This is money that cities and counties are losing due to the VLF backfill gap. It is proportional to each city's VLF revenues. The FY04-05 and FY05-06 contributions to the state general fund are based on a different formula. The FY06-07 repayment is not a repayment of any part of these amounts. It is a repayment of the FY03-04 loss due to the VLF backfill gap.

21 *If the VLF offset/backfill is 67.5%, why would my city VLF be reduced by over 87%?*

After the repeal of the VLF backfill, funding health and welfare programs provided primarily by counties under a state-local realignment in the early 1990s will be maintained. Moreover, the VLF allocation includes certain fixed administrative charges which will not change, regardless of the amount of VLF revenue. This means that the impact of the loss of the VLF backfill will be visited on the remaining allocations, leaving only about $220 million in FY04-05 for per capita allocations to cities. All other allocations (including allocations to counties and special allocations including those to no and low property tax cities) will be swapped 100% for property tax. About 87.5% of city VLF will be swapped for property tax.

California F[illegible]evelopment Association Estimated 2004-05 ERAF Redevelopm[illegible] Agency Deposit
Calculated [illegible]m Tax Increment Revenues, Gross and Net of Pass-Through's
For the 2002-03 Fiscal Year
Source: Community Redevelopment Agencies Annual Report
State Controller's Office - Division of Accounting and Reporting
Data includes all agencies that reported tax increment revenues for the 2002-03 fiscal year.

County	Redevelopment Agency	Total Tax Increment Received	Tax Increment Net of Pass-Throughs	Payment Based on Gross Tax Increment ($125 Million)	Payment Based on Net Tax Increment ($125 Million)	Combined Total to be Paid to County ERAF
Alameda	Alameda County Redevelopment Agency	3,428,928	2,627,277	$ 155,541.86	$ 144,166.93	$ 299,708.79
Alameda	Albany Community Reinvestment Agency	67,205	48,030	$ 3,048.53	$ 2,635.56	$ 5,684.09
Alameda	Berkeley Redevelopment Agency	1,446,365	1,446,365	$ 65,609.51	$ 79,366.58	$ 144,976.10
Alameda	City of Livermore Redevelopment Agency	2,172,705	1,907,279	$ 98,557.50	$ 104,658.38	$ 203,215.88
Alameda	Community Improvement Commission of the City of Alameda	7,739,233	6,563,286	$ 351,064.44	$ 360,148.09	$ 711,212.52
Alameda	Community Redevelopment Agency of the City of Union City	12,191,213	9,732,407	$ 553,013.63	$ 534,047.70	$ 1,087,061.32
Alameda	Emeryville Redevelopment Agency	20,533,037	18,439,702	$ 931,412.59	$ 1,011,844.28	$ 1,943,256.87
Alameda	Redevelopment Agency of the City of Fremont	27,291,324	19,653,763	$ 1,237,979.69	$ 1,078,463.62	$ 2,316,443.30
Alameda	Redevelopment Agency of the City of Hayward	5,113,404	4,838,071	$ 231,952.48	$ 265,480.13	$ 497,432.61
Alameda	Redevelopment Agency of the City of Oakland	48,314,642	45,828,192	$ 2,191,632.23	$ 2,514,736.63	$ 4,706,368.86
Alameda	Redevelopment Agency of the City of San Leandro	9,655,398	8,303,087	$ 437,984.86	$ 455,616.42	$ 893,601.28
Butte	Chico Redevelopment Agency	10,758,412	8,033,402	$ 488,019.40	$ 440,817.96	$ 928,837.36
Butte	Oroville Redevelopment Agency	4,378,601	3,684,050	$ 198,620.60	$ 202,155.38	$ 400,775.98
Contra Costa	Antioch Development Agency	5,156,883	4,517,659	$ 233,924.76	$ 247,898.12	$ 481,822.88
Contra Costa	Brentwood Redevelopment Agency	3,381,931	3,044,215	$ 153,410.00	$ 167,045.62	$ 320,455.62
Contra Costa	City of Clayton Redevelopment Agency	2,893,360	2,893,360	$ 131,247.60	$ 158,767.74	$ 290,015.34
Contra Costa	City of El Cerrito Redevelopment Agency	3,225,444	2,892,979	$ 146,311.49	$ 158,746.83	$ 305,058.32
Contra Costa	City of Walnut Creek Redevelopment Agency	1,798,264	1,798,264	$ 81,572.24	$ 98,676.39	$ 180,248.62
Contra Costa	Contra Costa County Redevelopment Agency	8,798,362	7,420,224	$ 399,108.28	$ 407,170.96	$ 806,279.24
Contra Costa	Danville Community Development Agency	1,105,976	857,386	$ 50,168.90	$ 47,047.46	$ 97,216.36
Contra Costa	Hercules Redevelopment Agency	2,962,200	2,962,200	$ 134,370.30	$ 162,545.20	$ 296,915.51
Contra Costa	Lafayette Redevelopment Agency	1,185,234	934,545	$ 53,764.18	$ 51,281.42	$ 105,045.59
Contra Costa	Oakley Redevelopment Agency	2,088,716	1,615,143	$ 94,747.62	$ 88,627.96	$ 183,375.58
Contra Costa	Pinole Redevelopment Agency	6,661,648	6,661,648	$ 302,183.39	$ 365,545.52	$ 667,728.91
Contra Costa	Pleasant Hill Redevelopment Agency	3,200,815	3,103,818	$ 145,194.27	$ 170,316.23	$ 315,510.50
Contra Costa	Redevelopment Agency of the City of Concord	11,948,560	11,948,560	$ 542,006.48	$ 655,654.96	$ 1,197,661.45
Contra Costa	Redevelopment Agency of the City of Pittsburg	28,663,760	19,657,320	$ 1,300,235.66	$ 1,078,658.80	$ 2,378,894.46
Contra Costa	Redevelopment Agency of the City of San Pablo	7,923,532	7,669,070	$ 359,424.54	$ 420,825.92	$ 780,250.47
Contra Costa	Richmond Redevelopment Agency	12,010,629	12,010,629	$ 544,822.04	$ 659,060.88	$ 1,203,882.92
Contra Costa	San Ramon Redevelopment Agency	5,898,637	4,423,484	$ 267,571.95	$ 242,730.44	$ 510,302.39
Del Norte	Crescent City Redevelopment Agency	646,289	416,713	$ 29,316.74	$ 22,866.35	$ 52,183.09

San Diego	Lemon Grove Redevelopment Agency	1,45[illegible]2	1,113,363	$ 66,207.70	$ 61,093.72	$ 12[illegible]142
San Diego	Oceanside Community Development Commission	4,875,748	4,875,748	$ 221,172.01	$ 267,547.58	$ 488,719.59
San Diego	Poway Redevelopment Agency	26,247,819	24,760,247	$ 1,190,644.57	$ 1,358,672.41	$ 2,549,316.98
San Diego	Redevelopment Agency of the City of San Diego	55,587,299	52,350,304	$ 2,521,532.01	$ 2,872,625.37	$ 5,394,157.37
San Diego	San Diego County Redevelopment Agency	2,236,651	2,045,426	$ 101,458.20	$ 112,238.94	$ 213,697.14
San Diego	San Marcos Redevelopment Agency	25,866,219	17,170,241	$ 1,173,334.56	$ 942,184.97	$ 2,115,519.54
San Diego	Santee Community Development Commission	3,426,228	3,426,228	$ 155,419.38	$ 188,007.88	$ 343,427.26
San Diego	Vista Community Development Commission	9,848,905	8,678,680	$ 446,762.65	$ 476,226.39	$ 922,989.04
San Francisco	Redevelopment Agency of the City and County of San Francisco	41,921,631	40,259,288	$ 1,901,634.66	$ 2,209,153.40	$ 4,110,788.06
San Joaquin	Community Development Agency of the City of Tracy	5,314,152	3,884,169	$ 241,058.74	$ 213,136.53	$ 454,195.28
San Joaquin	Manteca Redevelopment Agency	7,519,404	6,395,745	$ 341,092.63	$ 350,954.59	$ 692,047.21
San Joaquin	Redevelopment Agency of the City of Ripon	2,756,381	2,010,161	$ 125,034.01	$ 110,303.84	$ 235,337.85
San Joaquin	Redevelopment Agency of the City of Stockton	2,357,662	2,236,933	$ 106,947.46	$ 122,747.53	$ 229,694.99
San Luis Obispo	Arroyo Grande Redevelopment Agency	275,823	220,658	$ 12,511.79	$ 12,108.20	$ 24,619.98
San Luis Obispo	City of Grover Beach Redevelopment Agency	318,200	257,863	$ 14,434.08	$ 14,149.75	$ 28,583.83
San Luis Obispo	El Paso De Robles Redevelopment Agency	1,454,979	819,136	$ 66,000.26	$ 44,948.56	$ 110,948.82
San Luis Obispo	Pismo Beach Redevelopment Agency	565,107	355,895	$ 25,634.19	$ 19,529.07	$ 45,163.26
San Mateo	Belmont Redevelopment Agency	6,491,573	3,726,925	$ 294,468.51	$ 204,508.06	$ 498,976.57
San Mateo	Brisbane Redevelopment Agency	3,800,548	3,591,453	$ 172,399.16	$ 197,074.29	$ 369,473.45
San Mateo	City of San Mateo Redevelopment Agency	10,277,829	9,767,064	$ 466,219.36	$ 535,949.43	$ 1,002,168.79
San Mateo	Community Development Agency of the City of Menlo Park	9,961,806	6,953,946	$ 451,884.03	$ 381,584.83	$ 833,468.86
San Mateo	Daly City Redevelopment Agency	4,848,650	4,518,676	$ 219,942.80	$ 247,953.92	$ 467,896.72
San Mateo	East Palo Alto Redevelopment Agency	3,744,619	3,263,221	$ 169,862.12	$ 179,063.17	$ 348,925.29
San Mateo	Millbrae Redevelopment Agency	2,256,852	1,356,785	$ 102,374.55	$ 74,451.05	$ 176,825.60
San Mateo	Pacifica Redevelopment Agency	183,355	180,208	$ 8,317.29	$ 9,888.58	$ 18,205.86
San Mateo	Redevelopment Agency of the City of Redwood City	7,677,858	6,763,636	$ 348,280.36	$ 371,141.92	$ 719,422.28
San Mateo	Redevelopment Agency of the City of San Bruno	1,058,887	385,204	$ 48,032.87	$ 21,137.35	$ 69,170.22
San Mateo	Redevelopment Agency of the City of South San Francisco	16,387,125	15,586,571	$ 743,347.15	$ 855,284.03	$ 1,598,631.18
San Mateo	San Carlos Redevelopment Agency	4,551,214	3,104,298	$ 206,450.61	$ 170,342.57	$ 376,793.18
San Mateo	The Community Development Agency of the City of Foster City	11,815,596	7,318,227	$ 535,975.02	$ 401,574.07	$ 937,549.08
Santa Barbara	Goleta Redevelopment Agency	1,056,875	838,337	$ 47,941.60	$ 46,002.18	$ 93,943.78
Santa Barbara	Guadalupe Redevelopment Agency	943,318	943,318	$ 42,790.47	$ 51,762.82	$ 94,553.29
Santa Barbara	Lompoc Redevelopment Agency	839,106	718,816	$ 38,063.24	$ 39,443.69	$ 77,506.93
Santa Barbara	Redevelopment Agency of the City of Buellton	322,327	262,080	$ 14,621.29	$ 14,381.15	$ 29,002.44
Santa Barbara	Redevelopment Agency of the City of Santa Barbara	12,850,918	12,850,918	$ 582,938.94	$ 705,170.17	$ 1,288,109.11
Santa Barbara	Redevelopment Agency of the City of Santa Maria	983,124	983,124	$ 44,596.13	$ 53,947.10	$ 98,543.23

Stanislaus	Modesto Redevelopment Agency	2,69[illegible]0	2,414,466	$ 122,409.79	$ 132,489.32	$ 2[illegible]
Stanislaus	Newman Redevelopment Agency	64[illegible]9	576,334	$ 29,415.17	$ 31,625.25	$ 6[illegible]
Stanislaus	Oakdale Redevelopment Agency	1,932,858	1,932,858	$ 87,677.64	$ 106,061.98	$ 193,739.62
Stanislaus	Patterson Redevelopment Agency	114,339	112,627	$ 5,186.61	$ 6,180.20	$ 11,366.80
Stanislaus	Redevelopment Agency of the County of Stanislaus	3,071,941	2,138,809	$ 139,348.33	$ 117,363.16	$ 256,711.49
Stanislaus	Stanislaus/Ceres Redevelopment Commission	382,913	219,139	$ 17,369.57	$ 12,024.84	$ 29,394.41
Stanislaus	Turlock Redevelopment Agency	3,000,702	2,641,193	$ 136,116.82	$ 144,930.54	$ 281,047.36
Stanislaus	Waterford Redevelopment Agency	195,704	152,618	$ 8,877.46	$ 8,374.63	$ 17,252.09
Sutter	Redevelopment Agency of the City of Yuba City	1,714,834	1,400,158	$ 77,787.71	$ 76,831.06	$ 154,618.77
Tulare	Dinuba Redevelopment Agency	1,847,026	1,477,621	$ 83,784.16	$ 81,081.70	$ 164,865.86
Tulare	Exeter Redevelopment Agency	323,247	323,247	$ 14,663.02	$ 17,737.58	$ 32,400.60
Tulare	Farmersville Redevelopment Agency	267,389	235,209	$ 12,129.21	$ 12,906.66	$ 25,035.86
Tulare	Lindsay Redevelopment Agency	619,289	619,289	$ 28,091.98	$ 33,982.33	$ 62,074.31
Tulare	Porterville Redevelopment Agency	738,567	566,152	$ 33,502.62	$ 31,066.54	$ 64,569.16
Tulare	Redevelopment Agency of the City of Visalia	4,503,317	2,324,976	$ 204,277.92	$ 127,578.72	$ 331,856.65
Tulare	Tulare County Redevelopment Agency	2,197,085	1,665,994	$ 99,663.42	$ 91,418.32	$ 191,081.73
Tulare	Tulare Redevelopment Agency	3,220,280	2,466,913	$ 146,077.24	$ 135,367.25	$ 281,444.49
Tulare	Woodlake Redevelopment Agency	265,691	212,553	$ 12,052.18	$ 11,663.45	$ 23,715.63
Tuolumne	Sonora Redevelopment Agency	532,160	405,717	$ 24,139.66	$ 22,262.96	$ 46,402.62
Ventura	Camarillo Community Development Commission	2,722,720	2,178,182	$ 123,507.09	$ 119,523.68	$ 243,030.77
Ventura	Fillmore Redevelopment Agency	4,016,476	3,000,356	$ 182,194.01	$ 164,638.94	$ 346,832.95
Ventura	Oxnard Community Development Commission	7,401,435	6,348,435	$ 335,741.36	$ 348,358.54	$ 684,099.90
Ventura	Port Hueneme Redevelopment Agency	3,528,711	3,522,374	$ 160,068.18	$ 193,283.71	$ 353,351.89
Ventura	Redevelopment Agency of the City of Moorpark	3,577,050	2,394,855	$ 162,260.92	$ 131,413.20	$ 293,674.12
Ventura	Redevelopment Agency of the City of Ojai	755,120	606,746	$ 34,253.49	$ 33,294.06	$ 67,547.55
Ventura	Redevelopment Agency of the City of San Buenaventura	1,636,510	1,560,663	$ 74,234.81	$ 85,638.47	$ 159,873.28
Ventura	Santa Paula Redevelopment Agency	1,522,127	1,219,238	$ 69,046.20	$ 66,903.41	$ 135,949.62
Ventura	Simi Valley Community Development Agency	9,147,579	6,015,022	$ 414,949.34	$ 330,063.12	$ 745,012.47
Ventura	Thousand Oaks Redevelopment Agency	13,196,522	8,444,655	$ 598,616.11	$ 463,384.70	$ 1,062,000.81
Ventura	Ventura County Redevelopment Agency	295,766	248,154	$ 13,416.44	$ 13,616.99	$ 27,033.42
Yolo	Davis Redevelopment Agency	5,222,002	3,858,497	$ 236,878.67	$ 211,727.83	$ 448,606.50
Yolo	West Sacramento Redevelopment Agency	11,048,725	8,420,000	$ 501,188.48	$ 462,031.81	$ 963,220.28
Yolo	Winters Community Development Agency	722,567	600,108	$ 32,776.84	$ 32,929.81	$ 65,706.64
Yolo	Woodland Redevelopment Agency	336,282	336,282	$ 15,254.31	$ 18,452.85	$ 33,707.16
Yuba	Marysville Community Development Agency	403,896	365,660	$ 18,321.39	$ 20,064.91	$ 38,386.30
	State Totals	2,755,631,240	2,277,981,691	$ 124,999,999.95	$ 124,999,999.82	$ 249,999,999.77