

RESOLUTION NO. 2023-xx

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALTOS
ESTABLISHING THE FY23-24 APPROPRIATIONS LIMIT**

WHEREAS, California Constitutional Article 13B limits the total annual appropriations of cities;
and

WHEREAS, it is the desire of this Council to establish its appropriations limit pursuant to Article 13B.

NOW THEREFORE, BE IT RESOLVED, that the City Council of the City of Los Altos hereby determines that said City's appropriations limit, pursuant to Article 13B of the California Constitution using the annual percent change in population for Santa Clara County and the percent change in California for per capita personal income, is as follows:

FY 2023/24 \$44,664,430

I HEREBY CERTIFY that the foregoing is a true and correct copy of a Resolution passed and adopted by the City Council of the City of Los Altos at a meeting thereof on the ___ day of ____, 2023 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Sally Meadows, MAYOR

Attest:

Melissa Thurman, MMC
CITY CLERK

GANN Limit Calculations

GANN LIMIT CALCULATION - FY2023-24

| | DESCRIPTION | AMOUNT | TAXES | "NON-TAXES" |
|------------------------------|--------------------------------|-------------------|-------------------|-------------------|
| GENERAL FUND | | | | |
| TAXES | | | | |
| | Property Tax | 32,460,344 | 32,460,344 | 0 |
| | Sales Tax | 3,642,770 | 3,642,770 | 0 |
| | Off Hwy Veh Fees | 27,500 | 27,500 | 0 |
| | Utility Users Tax | 2,770,650 | 2,770,650 | 0 |
| | Business License Tax | 525,000 | 525,000 | 0 |
| | Documentary Trans. | 836,000 | 836,000 | 0 |
| | Building Dev. Tax | 200,000 | 200,000 | 0 |
| | Transient Occ. Tax | 1,887,809 | 1,887,809 | 0 |
| FEES | | | | |
| | Recreation Fees | 1,627,200 | | 1,627,200 |
| | Community Development Fees | 4,672,299 | | 4,672,299 |
| | Franchise Fees | 2,492,484 | | 2,492,484 |
| | Public Works Fees | 775,000 | | 775,000 |
| | Police Fees | 342,600 | | 342,600 |
| USE OF MONEY/PROPERTY | | | | |
| | Rental Income | 8,455 | | 8,455 |
| ENTERPRISE ADMIN FEES | | | | |
| | Enterprise Admin Fees | 812,618 | | 812,618 |
| MISCELLANEOUS | | | | |
| | Misc./Other | 285,424 | | 285,424 |
| SUBTOTAL | | 53,366,153 | 42,350,073 | 11,016,080 |
| | Interest | 300,000 | 238,073 | 61,927 |
| GENERAL FUND TOTAL | | 53,666,153 | 42,588,146 | 11,078,007 |
| CAPITAL PROJECTS | | | | |
| | Downtown Parking | 66,914 | | 66,914 |
| | In Lieu Park Land | 1,200,000 | | 1,200,000 |
| | PEG Fees | 97,000 | | 97,000 |
| | Public Art | 500,000 | | 500,000 |
| | SLES Police Grants | 130,000 | | 130,000 |
| | Traffic Impact Fee | 950,000 | | 950,000 |
| | Measure B | 675,000 | | 675,000 |
| | Transportation Development Act | 46,000 | | 46,000 |
| | Vehicle Impound Fees | 15,000 | | 15,000 |
| GAS TAX FUNDS | | | | |
| | Gas Tax | 902,857 | | 902,857 |
| | Road Maintenance (SB1) | 782,816 | | 782,816 |
| SUBTOTAL | | 5,365,587 | 0 | 5,365,587 |

GANN Limit Calculations

GANN LIMIT CALCULATION - FY2023-24

| | DESCRIPTION | AMOUNT | TAXES | "NON-TAXES" |
|--------------------------------------|-------------|-------------------|-------------------|---------------------|
| GRAND TOTAL | | 59,031,740 | 42,588,146 | 16,443,594 |
| Total City Governmental Revenue | | | | 59,031,740 |
| Less: Non Proceeds of taxes | | | | <u>(16,443,594)</u> |
| Proceeds of Taxes | | | | 42,588,146 |
| Appropriations Subject to Limitation | | | | 42,588,146 |
| 2023-24 Appropriations Limit | | | | 44,664,430 |
| Dollars under limit | | | | 2,076,285 |
| Percent under limit | | | | 4.65% |

Appropriations Limit Calculation

| | |
|------------------------------------|-------------------|
| 2022-23 Appropriations # | 42,872,818 |
| Change in Calif. per capita income | 1.0444 |
| Change in population in County | 0.9975 |
| Change Factor | 1.0418 |
| 2023-24 Appropriations Limit | 44,664,430 |

Dear Fiscal Officer:

Subject: Price Factor and Population Information

Appropriations Limit

California Revenue and Taxation Code section 2227 requires the Department of Finance (Finance) to transmit an estimate of the percentage change in population to local governments. Each local jurisdiction must use their percentage change in population factor for January 1, 2023, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2023-24. Attachment A 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 2023-24 appropriations limit. Attachment B provides the city and unincorporated county population percentage change. Attachment C provides the population percentage change for counties and their summed incorporated areas. The population percentage change data excludes federal and state institutionalized populations and military populations.

Population Percent Change for Special Districts

Some special districts must establish an annual appropriations limit. California Revenue and Taxation Code section 2228 provides additional information regarding the appropriations limit. Article XIII B, section 9(C) of the California Constitution exempts certain special districts from the appropriations limit calculation mandate. The code section and the California Constitution can be accessed at the following website: <http://leginfo.legislature.ca.gov/faces/codes.xhtml>.

Special districts required by law to calculate their appropriations limit must present the calculation as part of their annual audit. Any questions special districts have on this requirement should be directed to their county, district legal counsel, or the law itself. No state agency reviews the local appropriations limits.

Population Certification

The population certification program applies only to cities and counties. California Revenue and Taxation Code section 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 1, 2023.**

Please Note: The prior year's city population estimates may be revised. The per capita personal income change is based on historical data.

If you have any questions regarding this data, please contact the Demographic Research Unit at (916) 323-4086.

JOE SPEPHENSHAW
Director
By:

Erika Li
Chief Deputy Director

Attachment

- 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 fiscal year 2023-24 appropriation limit is:

Per Capita Personal Income

| Fiscal Year (FY) | Percentage change over prior year |
|---------------------|--------------------------------------|
| 2023-24 | 4.44 |

- B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2023-24 appropriation limit.

2023-24:

Per Capita Cost of Living Change = 4.44 percent
Population Change = -0.35 percent

Per Capita Cost of Living converted to a ratio: $\frac{4.44 + 100}{100} = 1.0444$

Population converted to a ratio: $\frac{-0.35 + 100}{100} = 0.9965$

Calculation of factor for FY 2023-24: $1.0444 \times 0.9965 = 1.0407$

Fiscal Year 2023-24

Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2022 to January 1, 2023 and Total Population, January 1, 2023

| County City | <u>Percent Change</u> | <u>--- Population Minus Exclusions ---</u> | | <u>Total Population</u> |
|------------------------|------------------------------|---|---------------|------------------------------------|
| | 2022-2023 | 1-1-22 | 1-1-23 | 1-1-2023 |
| Santa Clara | | | | |
| Campbell | -0.88 | 43,092 | 42,713 | 42,713 |
| Cupertino | -0.87 | 59,673 | 59,154 | 59,154 |
| Gilroy | 0.62 | 59,709 | 60,078 | 60,078 |
| Los Altos | -0.76 | 31,257 | 31,021 | 31,021 |
| Los Altos Hills | -0.40 | 8,414 | 8,380 | 8,380 |
| Los Gatos | -0.20 | 33,167 | 33,102 | 33,102 |
| Milpitas | 0.25 | 80,862 | 81,067 | 81,067 |
| Monte Sereno | 1.09 | 3,481 | 3,519 | 3,519 |
| Morgan Hill | -0.67 | 46,201 | 45,892 | 45,892 |
| Mountain View | -0.30 | 83,856 | 83,601 | 83,601 |
| Palo Alto | -0.60 | 67,674 | 67,268 | 67,287 |
| San Jose | -0.47 | 963,745 | 959,256 | 959,256 |
| Santa Clara | 1.54 | 130,462 | 132,476 | 132,476 |
| Saratoga | -0.62 | 30,758 | 30,567 | 30,567 |
| Sunnyvale | -0.03 | 156,364 | 156,317 | 156,317 |
| Unincorporated | -0.52 | 91,239 | 90,766 | 91,649 |
| County Total | -0.25 | 1,889,954 | 1,885,177 | 1,886,079 |

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.