

Theoretical Comparison of Annual Costs and Revenues from Different Development Proposals

	Hypothetical City		Full Service - with 6% UUT	
	Single-family Residential	Multi-family Residential	Industrial	Retail
Property Value ²	8,000,000	17,100,000	3,000,000	9,000,000
Residential Cost per DU	400,000	180,000		
Property Size (acres)	5	5	5	5
Retail Square footage per acre			-	10,000
Residential Units	20	95	n/a	n/a
Property Tax AB8 share of 1% ³	16.3%	16.3%	16.3%	16.3%
Utility User Tax Rate ⁴	6%	6%	6%	6%
Transient Occupancy Tax Rate	n/a	n/a	n/a	n/a
CITY TAX REVENUE				
Property Tax Revenue	13,040	27,873	4,890	14,670
Property Tax Rev (InLieu of VLF)	3,600	7,695	1,350	4,050
Sales Tax Revenue ⁴	7,560	7,560	-	82,500
Business License Tax ⁶	-	5,500	5,500	5,500
Franchise Fees ⁷	340	1,615	1,275	1,063
State Subventions & other revs ⁸	2,380	9,247	296	887
TOTAL REVENUES	\$ 35,200	\$ 75,222	\$ 24,903	\$ 116,121
CITY EXPENDITURES				
Police Department	9,000	42,750	4,950	14,063
Fire Department	6,040	28,690	3,322	9,438
Public Works	1,200	5,700	1,320	3,750
Planning & Community Devlpmt	800	3,800	880	2,500
Parks & Community Services	2,600	12,350	429	1,219
Library	1,500	7,125	n/a	n/a
General Government	2,540	12,065	1,298	3,688
TOTAL EXPENDITURES	\$ 23,680	\$ 112,480	\$ 12,199	\$ 34,656
NET	\$ 11,520	\$ (37,258)	\$ 12,704	\$ 81,465
	per unit \$ 576	\$ (392)		

NOTES

1. All revenue and expenditure estimates are based on a consensus of recent fiscal impact analyses, city budgets and reports to the state Controller.
2. Property values assume \$400,000 per single family home, \$180,000 per multi-family unit, \$180/sf for retail, \$600,000 per acre for industrial.
3. City property tax share is the average share of 1% property tax revenues paid *inon-redevelopment* areas. This rate differs from city to city depending on (among other things) the service responsibility of the city and the pre-Prop13 property tax rate.
4. Sales and use tax: retail project assumes 10,000 square feet of retail per acre with taxable sales of \$220 per square foot, 75% of which is "new sales" (not moved intra-city). Tax rate to city is 1% of taxable sales. Residential project assumes \$126per capita retail sales captured in city.
5. Some cities do not impose Utility User Taxes. Rates and applicability (e.g. electricity, gas, water and telephone,etc.) vary.
6. Business License Tax estimated at \$0.10 per sf for commercial uses. Multifamily residential is assumed to be rental property. Assumes comparable rates similar to statewide average among these cities. (Actual rates were not determined)
7. Franchise tax revenue at \$17 per dwelling unit equivalent (DUE) and 1DUE/800sf commercial.
8. State subventions include per-capita based allocations such as MVLFF and gas tax (residential only) and HOPTR (residential). These are assumed at \$27 per residential DUE. Fines&forfeitures at \$1.20/DUE, PropTransferTax at \$0.55/\$1000AV with 15yr turnover,Prop172 at 33% of PropTax(ERAF) times 11.5% (ratio of Prop172 to ERAF).
9. City is a "full service city" including police, fire and library services.
10. Enterprise services such as water, sewer, and garbage are not included. These services are funded by user fees, such that costs equate to revenues.
11. Expenditure estimates are based on current statewide median values for full service urban cities corellated with a consensus of recent project fiscal impact analyses.