



THE CITY OF PALOS VERDES ESTATES GENERAL FUND REVENUE ESTIMATE

2018-19 Revenue Estimate based on 2017-18 Values and Estimated Changes

General Fund	2018-19	2019-20	2020-21	2021-22	2022-23
<i>General Fund and BY Values</i>	\$7,075,865,925	\$7,397,595,639	\$7,668,805,070	\$7,951,222,797	\$8,245,154,760
Real Property Value (Incl. Prop 8 parcels)	\$7,072,551,505	\$7,394,281,219	\$7,665,490,650	\$7,947,908,377	\$8,241,840,340
CPI of Non Prop 8 Parcels (Max 2.0%)	\$134,238,068	\$140,950,185	\$146,723,495	\$152,685,240	\$158,844,499
Transfer of Ownership Assessed Value Change	\$173,338,257	\$126,676,184	\$131,363,808	\$136,238,402	\$141,306,713
Est. SFR Prop 8 Adj Based on Recent SFR Price	\$14,153,389	\$3,583,062	\$4,330,424	\$5,008,321	\$5,628,343
Estimated Real Property Value	\$7,394,281,219	\$7,665,490,650	\$7,947,908,377	\$8,241,840,340	\$8,547,619,894
Base Year Values	\$0	\$0	\$0	\$0	\$0
Secured Personal Property Value (0.0% growth)	\$87,860	\$87,860	\$87,860	\$87,860	\$87,860
Unsecured Personal Property Value (0.0% growth)	\$3,226,560	\$3,226,560	\$3,226,560	\$3,226,560	\$3,226,560
Nonunitary Utility Value (0.0% growth)	\$0	\$0	\$0	\$0	\$0
Enter Completed New Construction					
Estimated Net Taxable Value	\$7,397,595,639	\$7,668,805,070	\$7,951,222,797	\$8,245,154,760	\$8,550,934,314
<i>Estimated Total Percent Change</i>	<i>4.55%</i>	<i>3.67%</i>	<i>3.68%</i>	<i>3.70%</i>	<i>3.71%</i>
Taxed @ 1%	\$73,975,956	\$76,688,051	\$79,512,228	\$82,451,548	\$85,509,343
Aircraft Value	\$0	\$0	\$0	\$0	\$0
Average City Share 0.1110924086	\$8,218,167	\$8,519,460	\$8,833,205	\$9,159,741	\$9,499,439
Aircraft Rate (.01 * 0.333333333)	\$0	\$0	\$0	\$0	\$0
Enter Unitary Taxes Budgeted Flat					
Net GF Estimate	\$8,218,167	\$8,519,460	\$8,833,205	\$9,159,741	\$9,499,439
Enter Suppl. Apportionment - Average 3 Yrs.					
Enter Delinquent Apportionment - Average 3 Yrs.					



THE CITY OF PALOS VERDES ESTATES PROPERTY TAX REVENUE - 2017/18

Estimated Revenue, Assuming Zero Delinquency, County Admin Fees Not Deducted

General Fund Summary - Non SA TRAs						
Roll	Non SA TRAs Taxable Value	Rate	General Fund Revenue	Debt Rate	Debt Revenue	Total Revenue
SEC	\$7,070,455,441	0.113048384	\$7,993,035.63	0.000000	\$0.00	\$7,993,035.63
UTIL	\$0	0.000000000	\$0.00	0.000000	\$0.00	\$0.00
UNS	\$5,410,484	0.113036847	\$6,115.84	0.000000	\$0.00	\$6,115.84
<u>TOTAL</u>	<u>\$7,075,865,925</u>	<u>0.113048375</u>	<u>\$7,999,151.47</u>	<u>0.000000</u>	<u>\$0.00</u>	<u>\$7,999,151.47</u>
+ Aircraft	\$0		\$0.00		\$0.00	\$0.00
Total Before Adjustment for AB-8 Growth	\$7,075,865,925	0.113048375	\$7,999,151.47	0.000000	\$0.00	\$7,999,151.47
+ Adjustment for AB-8 Growth (Net effective Total Revenue Loss/Gain)			-\$138,401.58			-\$138,401.58
Non SA TRAs Total	\$7,075,865,925	0.111092409	\$7,860,749.89			\$7,860,749.89
SB 2557 County Admin Fees (Current Year Actual Amount)						-\$106,507.23

Unitary Revenue	\$54,162.02
VLF Revenue	\$1,449,060.00

Homeowner Exemption revenues are included in the revenue model used for this report

Data Source: Los Angeles County Assessor 2017/18 Combined Tax Rolls

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THE CITY OF PALOS VERDES ESTATES GENERAL FUND REVENUE ESTIMATE

2018-19 Revenue Estimate based on 2017-18 Values and Estimated Changes

	General Fund	VLFAA
<i>General Fund and BY Values 2017-18</i>	\$7,075,865,925	\$7,075,865,925
<i>Citywide Net Taxable Value 2017-18</i>		
Real Property Value (Incl. Prop 8 parcels)	\$7,072,551,505	\$7,072,551,505
CPI of Non Prop 8 Parcels (2.000%)	\$134,238,068	\$134,238,068
Transfer of Ownership Assessed Value Change	\$173,338,257	\$173,338,257
Est. SFR Prop 8 Adj Based on Recent SFR Price	\$14,153,389	\$14,153,389
2018-19 Estimated Real Property Value	\$7,394,281,219	\$7,394,281,219
Base Year Values	\$0	Included in AV
Secured Personal Property Value (0.0% growth)	\$87,860	\$87,860
Unsecured Personal Property Value (0.0% growth)	\$3,226,560	\$3,226,560
Nonunitary Utility Value	\$0	\$0
Enter Completed New Construction		
2018-19 Estimated Net Taxable Value	\$7,397,595,639	\$7,397,595,639
Estimated Total Percent Change 2018-19	4.55%	4.55%
Taxed @ 1%	\$73,975,956	
Aircraft Value	\$0	
Average City Share 0.1110924086	\$8,218,167	
Aircraft Rate (.01 * 0.3333333333)	\$0	
Enter Unitary Taxes Budgeted Flat		
Net GF Estimate for 2018-19	\$8,218,167	
Enter Suppl. Apportionment Recd. - Avg. 3 Yrs		
Enter Delinquent Apportionment Recd. - Avg. 3 Yrs		
Base Value of VLFAA		\$1,449,060
Estimated Change to VLFAA		\$65,932
VLFAA Estimate for 2018-19		\$1,514,992

NOTES:

- Estimated Assessor Prop 8 Adjustments: Prop 8 reductions in value are TEMPORARY reductions applied by the assessor that recognize the fact that the current market value of a property has fallen below its trended (Prop 13) assessed value. For 2018-19, properties with prior Prop 8 reductions are not included in the CPI increase. Prop 8 parcel values are projected to be increased, decreased, or projected flat depending on median sale price changes until they are sold and reset per Prop 13.
- Base Year Values Entry: With the dissolution of redevelopment, base year values are unlikely to change and are budgeted flat.
- Secured personal property and unsecured values are projected at 100% of 2017-18 levels. Unsecured escaped assessments may be included in the unsecured value. The value of escaped assessments is generally inconsistent and varies from year to year.
- Completed new construction entry: if completed new construction has resulted in a sale of the property it is likely that the new value will appear in the value increase due to transfers of ownership entry and therefore should not be also included in the completed new construction value. Enter the value of new construction completed between Nov. 2016 and Oct. 2017.
- Supplemental and delinquent revenue allocations are pooled countywide and are erratic. They should be budgeted conservatively using historical averages over a minimum of 3 years.
- General Fund Revenue Estimate does not include any ad valorem voter approved debt service revenue.
- The revenue projection assumes 100% payment of taxes. Delinquency is not considered in the projection; however, rates of between 1% and 2.5% are typical.
- Pass through and residual revenues from former redevelopment agencies are not included in this estimate.
- SB 2557 Administration Fees are not deducted from the general fund projections.



THE CITY OF PALOS VERDES ESTATES TRANSFER OF OWNERSHIP (2013 - 2017)

Single Family Residential					Multifamily, Commercial, Industrial, Vacant				Totals				
Tax Year	# SFR Sales	Original Values	Sale Price	% Change	Non SFR Sales	Original Values	Sale Price	% Change	Total Sales	Original Values	Sale Values	% Change	\$ Change
GENERAL FUND <i>Valid Sales Price Analysis</i>													
2017 1/1/17-12/31/17	223	\$314,182,079	\$484,199,176	54.1%	6	\$3,793,864	\$7,115,024	87.5%	229	\$317,975,943	\$491,314,200	54.5%	\$173,338,257
											<i>Est. Revenue Change:</i>	\$192,567.16	
2016 1/1/16-12/31/16	185	\$234,239,492	\$386,787,077	65.1%	8	\$8,517,312	\$19,222,823	125.7%	193	\$242,756,804	\$406,009,900	67.2%	\$163,253,096
											<i>Est. Revenue Change:</i>	\$181,205.70	
2015 1/1/15-12/31/15	212	\$253,580,526	\$440,198,650	73.6%	5	\$7,290,131	\$9,380,000	28.7%	217	\$260,870,657	\$449,578,650	72.3%	\$188,707,993
											<i>Est. Revenue Change:</i>	\$209,279.23	
2014 1/1/14-12/31/14	195	\$247,725,936	\$403,186,070	62.8%	5	\$4,150,048	\$5,408,330	30.3%	200	\$251,875,984	\$408,594,400	62.2%	\$156,718,416
											<i>Est. Revenue Change:</i>	\$173,591.89	
2013 1/1/13-12/31/13	205	\$216,444,195	\$347,178,724	60.4%	6	\$3,667,984	\$9,699,676	164.4%	211	\$220,112,179	\$356,878,400	62.1%	\$136,766,221
											<i>Est. Revenue Change:</i>	\$151,316.85	

* Sale value is a sum of all Full Value Parcel Sales (Sales not included in the analysis are quitclaim deeds, trust transfers, partial sales, timeshares, and non-reported document number transfers)



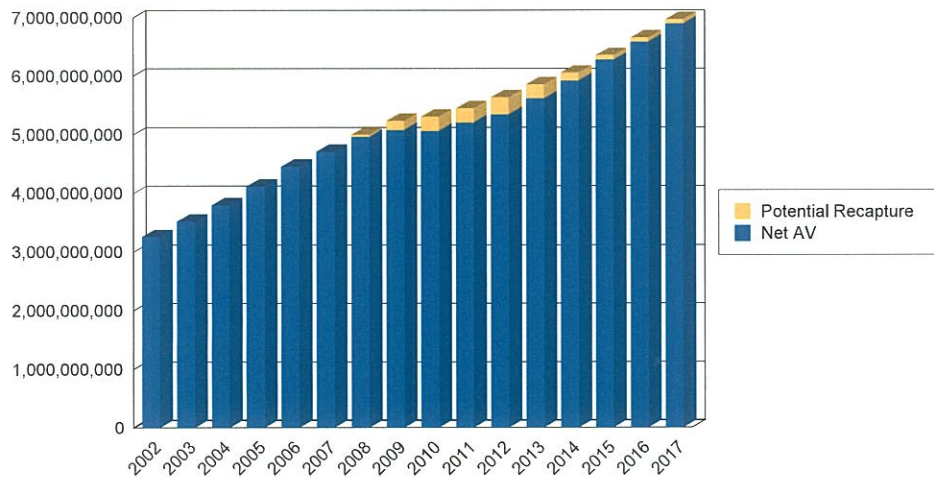
THE CITY OF PALOS VERDES ESTATES

PROP 8 POTENTIAL RECAPTURE HISTORY

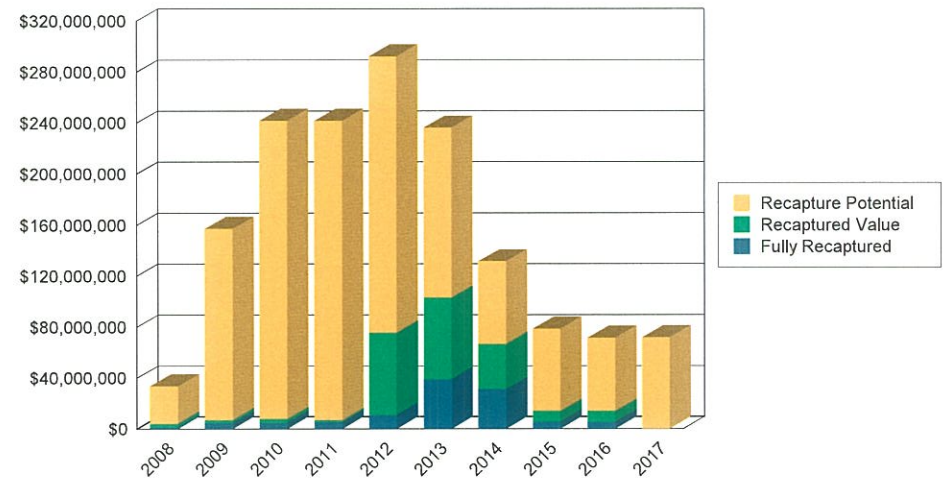
Single Family Residential Parcels

Roll Year	Prop 8 Parcel Count	Real Value of Prop 8 Parcels	Inflation Adjusted Peak Taxable Values	Potential Recapture	% of All Parcels	Prop 8 Parcels that have fully Recaptured	Increase in Real AV Due to full Recaptures	Prop 8 Parcels that have Recaptured Value	Increase in Real AV Due to Recaptures
2008	133	184,986,201	218,555,196	33,568,995	2.6%	6	1,325,862	11	4,146,999
2009	523	884,788,350	1,041,903,236	157,114,886	10.3%	14	4,760,479	20	6,854,908
2010	626	995,638,002	1,237,441,905	241,803,903	12.3%	27	5,005,449	57	7,762,673
2011	584	923,112,461	1,164,988,140	241,875,679	11.5%	17	5,587,534	36	6,795,049
2012	641	1,035,166,940	1,327,376,626	292,209,686	12.6%	38	11,107,498	411	75,597,380
2013	577	1,008,357,438	1,244,744,645	236,387,207	11.4%	157	39,208,166	460	103,309,181
2014	397	773,143,290	904,940,753	131,797,463	7.8%	154	31,312,712	326	66,998,024
2015	224	474,089,807	552,817,836	78,728,029	4.4%	35	5,862,397	78	14,097,689
2016	188	402,387,284	474,050,398	71,663,114	3.7%	25	5,520,450	69	13,985,497
2017	159	360,648,081	432,608,770	71,960,689	3.1%				

Totals for Single Family Residential Parcels



Prop 8 History



The report identifies those parcels which have been granted a value reduction and are eligible for further potential of recaptured value per Proposition 8. The reductions were based on market conditions at the time of assessor review. This calculation is derived from historical transfers of ownership, Assessor applied Proposition 8 reductions and trends in the marketplace relative to median and average home sales and is an estimate of the impact of current adjustments to the assessment roll as of the 2017-18 lien date.

The Inflation Adjusted Peak Value is defined as a parcel's highest value after its most recent sale. If a parcel is assessed for a lower value after its most recent sale, then the sales price becomes the peak value. Peak values are inflated annually according to the maximum allowed rate under proposition 13.

The count of Prop 8 Parcels that have recaptured value includes both parcels that have been fully recaptured and are no longer in the Prop 8 Parcel Count as well as parcels that have only recaptured a portion of the Inflation Adjusted Peak Values.

The Proposition 8 potential value recapturing is shown in the Potential Recapture Column and assumes no future sales transactions. As properties transfer ownership they are removed from the Prop 8 Parcel Count and if sold for more or less will not be eligible for value recapturing per Proposition 8.



THE CITY OF PALOS VERDES ESTATES SALES VALUE HISTORY

Single Family Residential Full Value Sales (01/01/1998 - 1/31/2018)

Year	Full Value Sales	Average Price	Median Price	Median % Change
1998	296	\$803,217	\$685,000	
1999	244	\$926,877	\$760,000	10.95%
2000	267	\$1,046,764	\$820,000	7.89%
2001	205	\$1,081,920	\$845,000	3.05%
2002	290	\$1,095,371	\$914,500	8.22%
2003	277	\$1,357,250	\$1,100,000	20.28%
2004	243	\$1,438,889	\$1,300,000	18.18%
2005	194	\$1,762,126	\$1,600,000	23.08%
2006	138	\$1,998,239	\$1,642,500	2.66%
2007	172	\$1,972,484	\$1,537,000	-6.42%
2008	107	\$1,813,379	\$1,555,000	1.17%
2009	130	\$1,695,904	\$1,304,750	-16.09%
2010	184	\$1,611,190	\$1,472,500	12.86%
2011	183	\$1,639,546	\$1,375,000	-6.62%
2012	193	\$1,593,806	\$1,399,000	1.75%
2013	207	\$1,660,021	\$1,495,000	6.86%
2014	198	\$2,065,174	\$1,645,250	10.05%
2015	214	\$2,095,694	\$1,650,000	0.29%
2016	189	\$2,056,970	\$1,700,000	3.03%
2017	228	\$2,090,762	\$1,775,000	4.41%
2018	13	\$1,574,615	\$1,350,500	-23.92%

*Sales not included in the analysis are quitclaim deeds, trust transfers, timeshares, and partial sales.

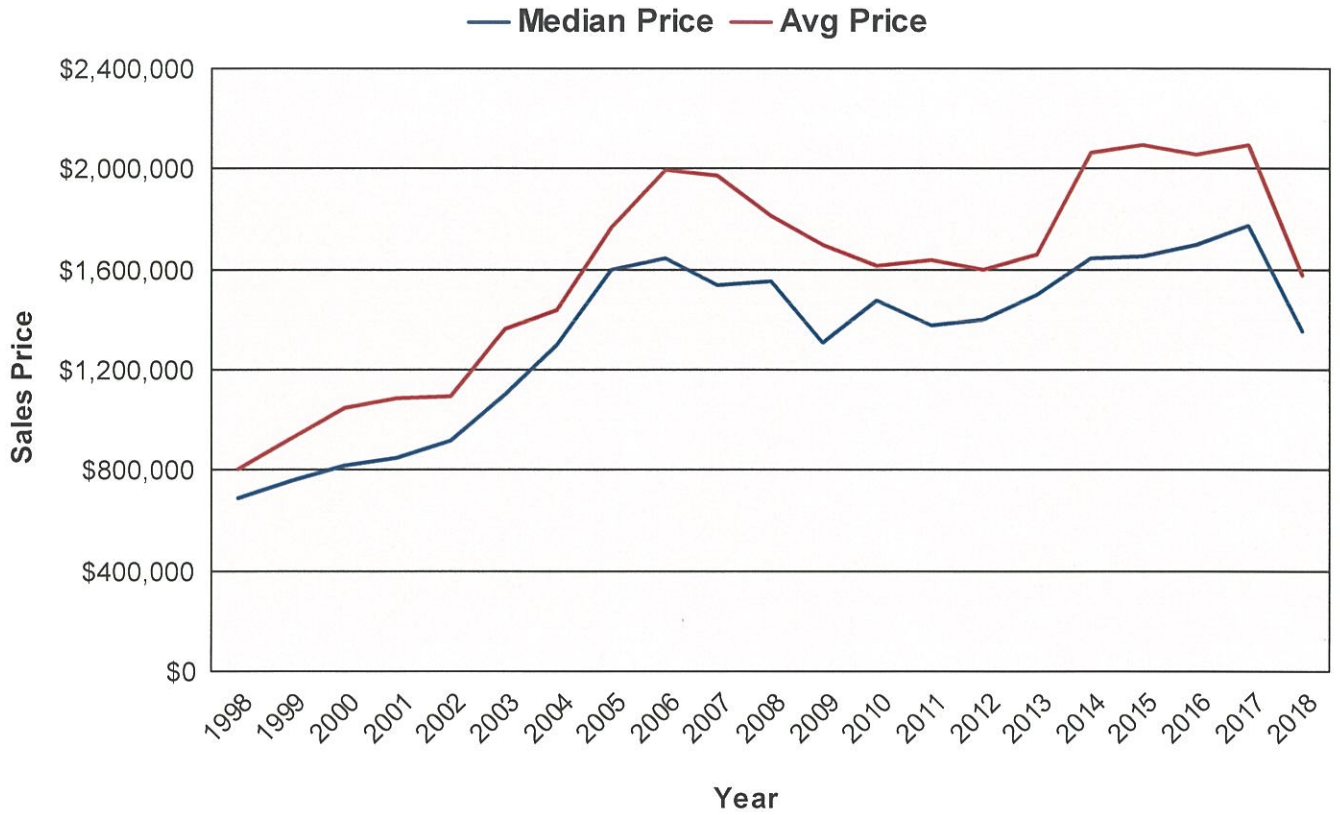
Data Source: Los Angeles County Recorder

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THE CITY OF PALOS VERDES ESTATES SALES VALUE HISTORY

Single Family Residential Full Value Sales (01/01/2018 - 1/31/2018)



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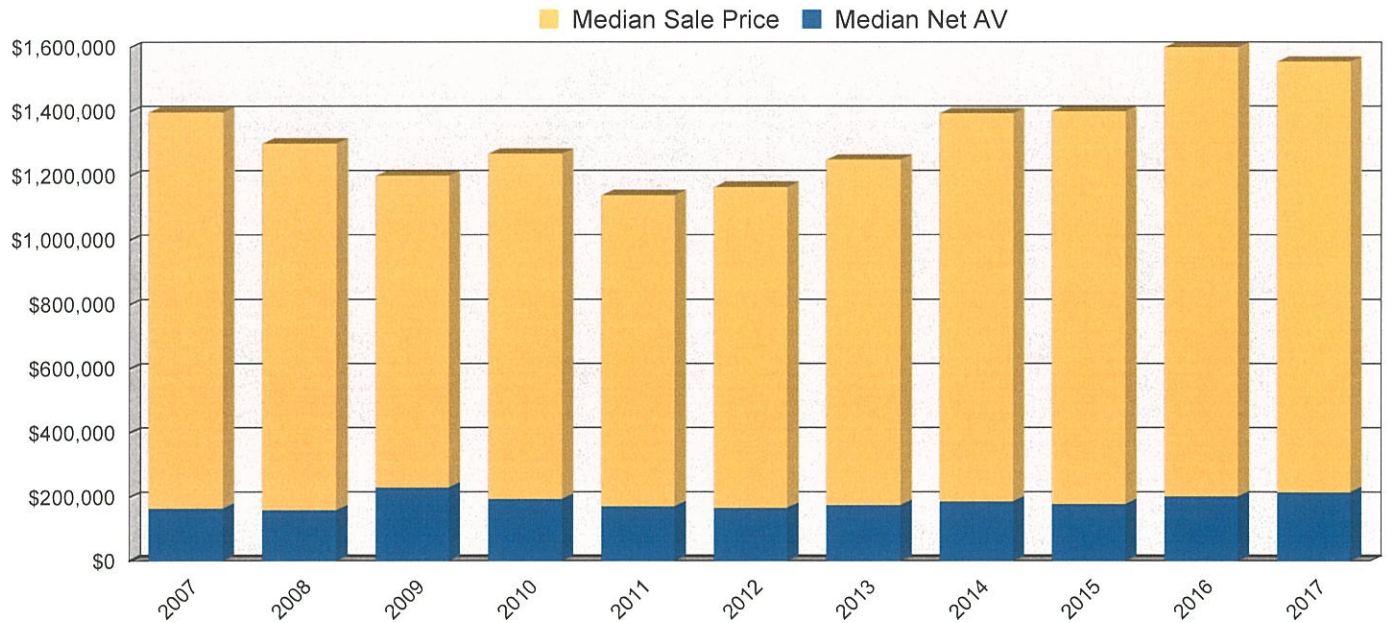
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THE CITY OF PALOS VERDES ESTATES PRE 78 SALE HISTORY

Detached Single Family Residential Parcels - Sales Through 1/31/2018

Roll Year	Parcel Count	Pre 78 Count	% of Total	Pre 78 Net AV	Pre 78 Sales	Pre 78 Sold Median Net AV	Pre 78 Sold Median Price	% Increase
2007	4,860	1,503	30.9%	\$396,001,827	36	\$164,116	\$1,397,500	752%
2008	4,860	1,468	30.2%	\$400,036,628	29	\$158,990	\$1,300,000	718%
2009	4,862	1,443	29.7%	\$413,218,217	35	\$230,342	\$1,200,000	421%
2010	4,863	1,406	28.9%	\$399,439,263	44	\$194,329	\$1,268,750	553%
2011	4,861	1,360	28.0%	\$387,782,710	42	\$170,951	\$1,139,250	566%
2012	4,864	1,318	27.1%	\$386,734,921	47	\$165,871	\$1,165,000	602%
2013	4,866	1,270	26.1%	\$388,447,326	52	\$175,070	\$1,250,000	614%
2014	4,865	1,216	25.0%	\$375,493,657	42	\$186,162	\$1,395,000	649%
2015	4,862	1,174	24.1%	\$374,423,334	48	\$177,635	\$1,400,000	688%
2016	4,861	1,127	23.2%	\$377,249,032	37	\$201,458	\$1,600,000	694%
2017	4,863	1,089	22.4%	\$377,533,676	55	\$215,441	\$1,555,000	622%





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Average City Share 0.1110924086	\$8,218,167	\$8,519,460	\$8,833,205	\$9,159,741	\$9,499,439
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VLFAA	2018-19	2019-20	2020-21	2021-22	2022-23
Citywide Net Taxable Value	\$7,075,865,925	\$7,397,595,639	\$7,668,805,070	\$7,951,222,797	\$8,245,154,760
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Estimated Total Percent Change	4.55%	3.67%	3.68%	3.70%	3.71%
Base Value of VLFAA	\$1,449,060	\$1,514,992	\$1,570,592	\$1,628,390	\$1,688,641
Estimated Change to VLFAA	\$65,932	\$55,600	\$57,798	\$60,250	\$62,649
VLFAA Estimate	\$1,514,992	\$1,570,592	\$1,628,390	\$1,688,641	\$1,751,289

NOTES:

- Transfer of Ownership Assessed Value Change: For years 2019-20 and later a growth rate is applied that is representative of the historical average rate of real property growth due to properties that have transferred ownership. The percentage used in Los Angeles County of 1.71% is applied to real property value.
- Estimated Assessor Prop 8 Adjustments: Prop 8 reductions in value are TEMPORARY reductions applied by the assessor that recognize the fact that the current market value of a property has fallen below its trended (Prop 13) assessed value. For 2018-19 and later, properties with prior Prop 8 reductions are not included in the CPI increase, they are projected flat until either the Assessor begins to recapture value as the economy improves and median sale prices begin to increase, they are further reduced, or they sell and are reset per Prop 13.
- Where they exist, prop 8 restoration adjustments are based on projected median SFR home price growth. For this projection the following median year to year percentage changes are used for Palos Verdes Estates: 2019-20 @ 1.1%; 2020-21 @ 1.4%; 2021-22 @ 1.7%; 2022-23 @ 2.0%;
- Base Year Values Entry: With the dissolution of redevelopment, base year values are unlikely to change and are budgeted flat.
- Secured personal property and unsecured values are projected at 100% of 2017-18 levels. Unsecured escaped assessments may be included in the unsecured value. The value of escaped assessments is generally inconsistent and varies from year to year.
- Completed new construction entry: This data entry point allows for the inclusion of new construction projects completed annually. Due to processing delays we suggest that a time frame of November - October be selected. (i.e. Nov. 2016 - Oct. 2017 for the 2019-20 FY). If completed new construction has resulted in a sale of the property it is likely that the new value will appear in the value increase due to transfers of ownership entry and therefore should not be also included in the completed new construction value.
- Pooled Revenue Sources include supplemental allocations, redemptions for delinquent payments in Non-Teeter cities, tax payer refunds due to successful appeals, roll corrections and other adjustments applied after the release of the roll. The forecasting of these revenues should be developed based on historical averages over a minimum of 3 years.
- General Fund Revenue Estimate does not include any ad valorem voter approved debt service revenue.
- The revenue projection assumes 100% payment of taxes. Delinquency is not considered in the projection; however, rates of between 1% and 2.5% are typical.
- Pass through and residual revenues from former redevelopment agencies are not included in this estimate.