



PALOS VERDES ESTATES

Property Tax Basics and Trends

Impacting Forecasting for 2018-19

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PROPOSITION 13

- Limited property taxation to 1% of the assessed value
- Annually, real property can be increased by a maximum of 2% or the annual CCPI, whichever is less (October-October time frame used)
- EXCEPTIONS TO THE CCPI APPLIED— **Full market value of transfers of ownership and new construction added**
- Requires a “special tax” increase to be approved by a 2/3 vote.
- Any increase in State taxes requires a 2/3 vote of State Legislature
- The State now controls the allocation of Property Tax Revenue



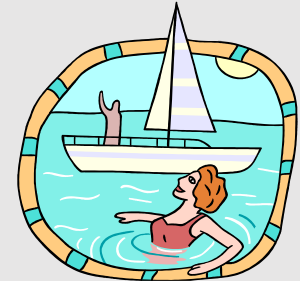
FACT: In 10 of the past 39 years, the CCPI granted has been less than 2%.

WHAT PROPERTY IS TAXED?

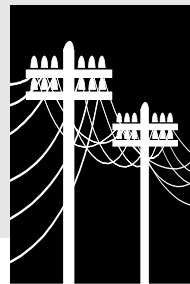
Secured Roll



Unsecured Roll



Utility Roll



THE COUNTY DEPARTMENTS THAT MANAGE PROPERTY TAXES



ASSESSOR

Appraises property, enrolls new construction, market value of sales, and administers appeals



AUDITOR CONTROLLER

Extends the tax roll, applies the 1% base levy, any voter approved debt and direct assessment levies. Apportions revenue after taxes are paid

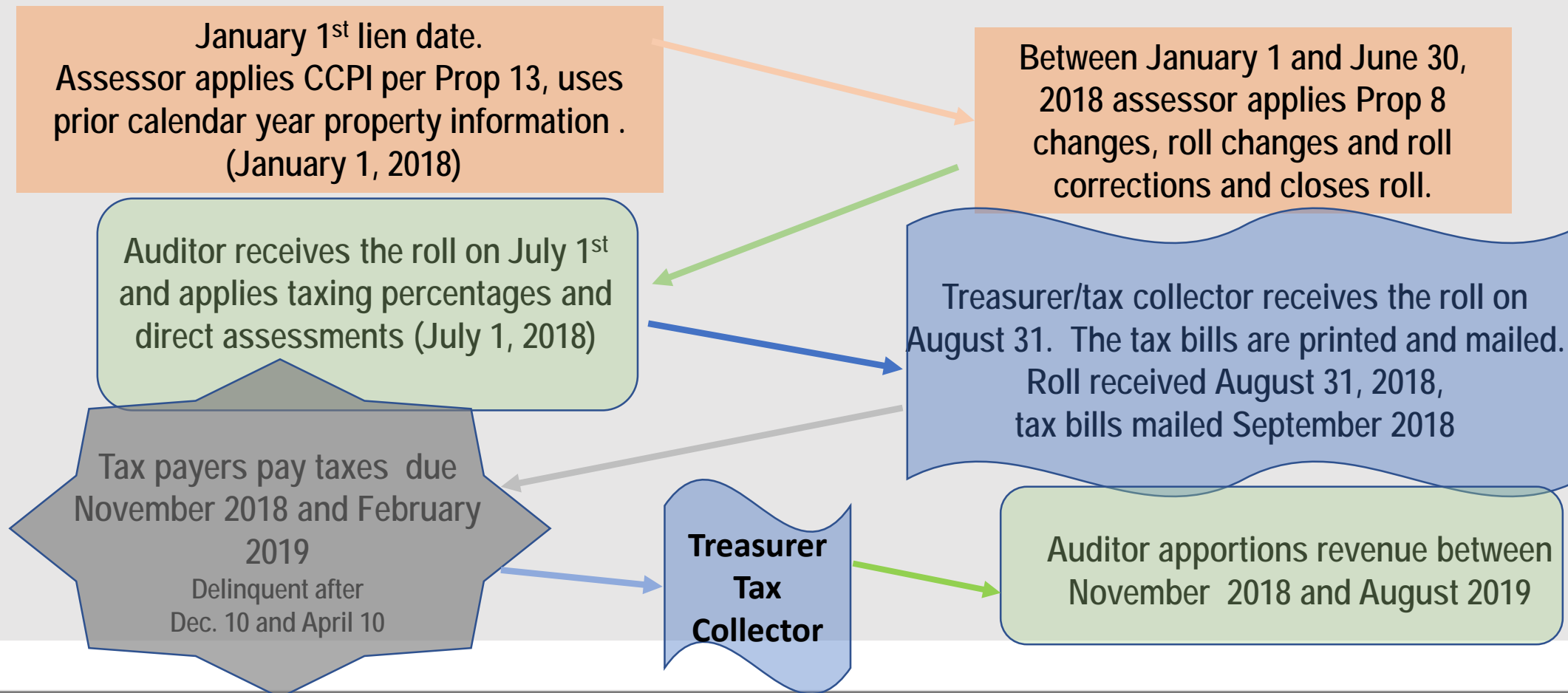
TREASURER-TAX COLLECTOR

Prints and mails the tax bills and collects taxes based on the information provided by the Auditor.



PROPERTY TAX TIME LINE 2018-19

Values lag 12-18 months being reflected on the tax rolls





**THE CITY OF PALOS VERDES ESTATES
2017/18 GENERAL LEVY BREAKDOWN**

TRA 07110	Agency	Original County Description	Basic Rate
647 Parcels in this TRA	001.05	Los Angeles County	0.3322994
	001.20	LA County Accum. Cap. Outlay	0.0001176
	007.31	LA County FFW	0.0076310
	030.10	LA County Flood DR. IMP. District Maint.	0.0018188
	030.70	LA County Flood Control Maint.	0.0102930
	057.60	Palos Verdes Library Dist. Maint.	0.0353247
	061.10	LA County West Vector Control Dist.	0.0001900
	068.25	Co. Sanitation Dist. No. 5 Operating	0.0128231
	224.01	Tax District #1	0.1131934
	350.90	WTR Replenishment Dist. of So. Cal	0.0001799
	400.00	Educational Rev. Augmentation Fund	0.0755579
	400.01	Educational Aug. Fund Impound	0.1553505
	400.15	County School Services	0.0014585
	400.21	Childrens Instil. Tuition Fund	0.0028945
	805.04	LA City Community College District	0.0311251
	805.20	LA Community College Children's Center Fund	0.0003218
	905.03	Palos Verdes Peninsula Unified School District	0.2098739
905.06	County School Service Fund- Palos Verdes	0.0086138	
905.07	Develop. Center Handicapped Minor- Palos Verdes	0.0009330	
Total			1.0000000

TRA 07111	Agency	Original County Description	Basic Rate
11 Parcels in this TRA	001.05	Los Angeles County	0.3317174
	001.20	LA County Accum. Cap. Outlay	0.0001174
	007.31	LA County FFW	0.0076176
	030.10	LA County Flood DR. IMP. District Maint.	0.0018158
	030.70	LA County Flood Control Maint.	0.0102753
	057.60	Palos Verdes Library Dist. Maint.	0.0352711
	061.10	LA County West Vector Control Dist.	0.0001900
	067.80	South Bay Cities Sanitation Dist. Operating	0.0141257
	224.01	Tax District #1	0.1130344
	350.90	WTR Replenishment Dist. of So. Cal	0.0001799
	400.00	Educational Rev. Augmentation Fund	0.0753787
	400.01	Educational Aug. Fund Impound	0.1553505
	400.15	County School Services	0.0014569
	400.21	Childrens Instil. Tuition Fund	0.0028913
	805.04	LA City Community College District	0.0310892
	805.20	LA Community College Children's Center Fund	0.0003216
	905.03	Palos Verdes Peninsula Unified School District	0.2096316
905.06	County School Service Fund- Palos Verdes	0.0086036	
905.07	Develop. Center Handicapped Minor- Palos Verdes	0.0009321	
Total			1.0000000

TRA 07112	Agency	Original County Description	Basic Rate
4,555 Parcels in this TRA	001.05	Los Angeles County	0.3317135
	001.20	LA County Accum. Cap. Outlay	0.0001175
	007.31	LA County FFW	0.0076176
	030.10	LA County Flood DR. IMP. District Maint.	0.0018156
	030.70	LA County Flood Control Maint.	0.0102751
	057.60	Palos Verdes Library Dist. Maint.	0.0352717
	061.10	LA County West Vector Control Dist.	0.0001900
	067.80	South Bay Cities Sanitation Dist. Operating	0.0141259
	224.01	Tax District #1	0.1130358
	350.90	WTR Replenishment Dist. of So. Cal	0.0001797
	400.00	Educational Rev. Augmentation Fund	0.0753787
	400.01	Educational Aug. Fund Impound	0.1553505
	400.15	County School Services	0.0014568
	400.21	Childrens Instil. Tuition Fund	0.0028912
	805.04	LA City Community College District	0.0310895
	805.20	LA Community College Children's Center Fund	0.0003215
	905.03	Palos Verdes Peninsula Unified School District	0.2096337
905.06	County School Service Fund- Palos Verdes	0.0086039	
905.07	Develop. Center Handicapped Minor- Palos Verdes	0.0009320	
Total			1.0000000

5 Tax Rate Areas are assigned to PVE.

The largest TRA has 4,555 parcels – 83.8% of all parcels in the city. 1 TRA has no parcels.

TRA 14124 has 11 parcels on Via La Cuesta- the city border w/RHE; this TRA was assigned after original TRA assignments.



**THE CITY OF PALOS VERDES ESTATES
2017/18 GENERAL LEVY BREAKDOWN**

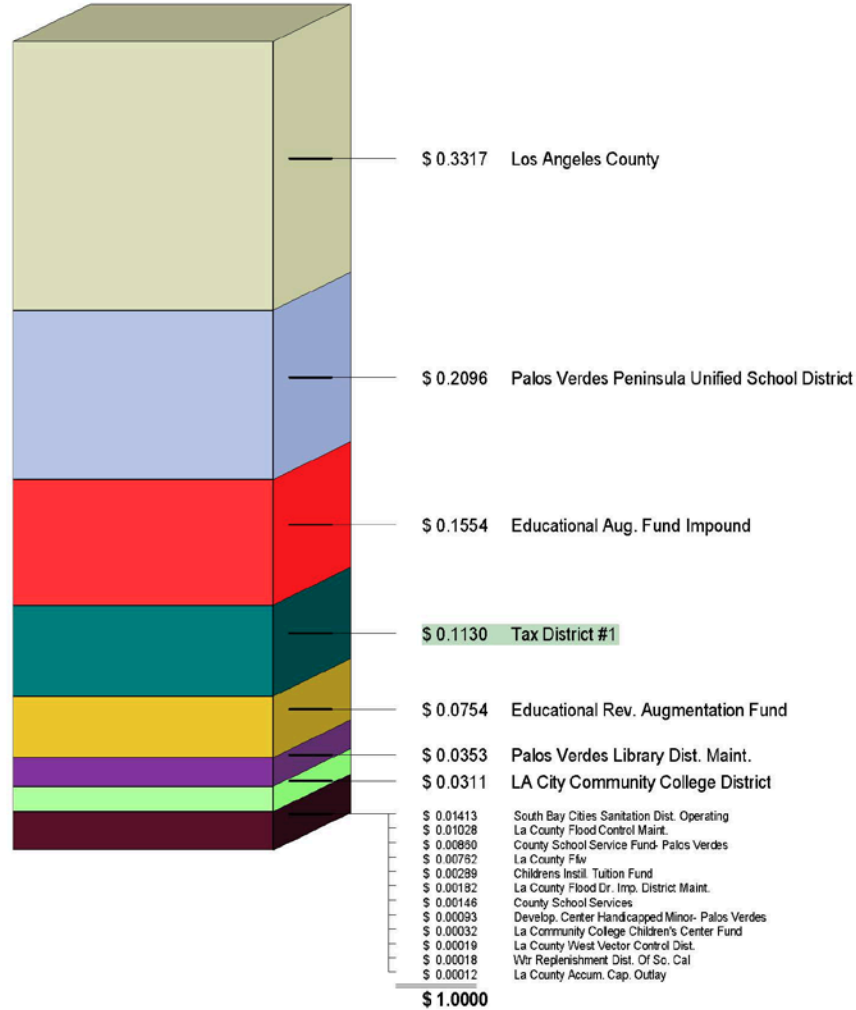
TRA 07117	Agency	Original County Description	Basic Rate
No parcels assigned to this TRA.	001.05	Los Angeles County	0.3434392
	007.30	Los Angeles Consolidated Fire District	0.0143814
	007.31	LA County FFW	0.0078666
	030.10	LA County Flood DR. IMP. District Maint.	0.0017116
	030.70	LA County Flood Control Maint.	0.0105903
	057.60	Palos Verdes Library Dist. Maint.	0.0359963
	224.01	Tax District #1	0.1156796
	400.00	Educational Rev. Augmentation Fund	0.0613059
	400.01	Educational Aug. Fund Impound	0.1492574
	400.15	County School Services	0.0013298
	400.21	Childrens Instil. Tuition Fund	0.0031028
	805.04	LA City Community College District	0.0314718
	805.20	LA Community College Children's Center Fund	0.0004433
	905.03	Palos Verdes Peninsula Unified School District	0.2136525
	905.06	County School Service Fund- Palos Verdes	0.0088652
	905.07	Develop. Center Handicapped Minor- Palos Verdes	0.0008865
	Total		

TRA 14124	Agency	Original County Description	Basic Rate
11 Parcels in this TRA	001.05	Los Angeles County	0.3317174
	001.20	LA County Accum. Cap. Outlay	0.0001174
	007.31	LA County FFW	0.0076176
	030.10	LA County Flood DR. IMP. District Maint.	0.0018158
	030.70	LA County Flood Control Maint.	0.0102753
	057.60	Palos Verdes Library Dist. Maint.	0.0352711
	061.10	LA County West Vector Control Dist.	0.0001900
	067.80	South Bay Cities Sanitation Dist. Operating	0.0141257
	224.01	Tax District #1	0.1130344
	350.90	WTR Replenishment Dist. of So. Cal	0.0001799
	400.00	Educational Rev. Augmentation Fund	0.0753787
	400.01	Educational Aug. Fund Impound	0.1553505
	400.15	County School Services	0.0014569
	400.21	Childrens Instil. Tuition Fund	0.0028913
	805.04	LA City Community College District	0.0310892
	805.20	LA Community College Children's Center Fund	0.0003216
	905.03	Palos Verdes Peninsula Unified School District	0.2096316
905.06	County School Service Fund- Palos Verdes	0.0086036	
905.07	Develop. Center Handicapped Minor- Palos Verdes	0.0009321	
Total			1.0000000





**THE CITY OF PALOS VERDES ESTATES
PROPERTY TAX DOLLAR BREAKDOWN**



1% Share of the Basic Tax Levy
PVE receives a 11.3¢ share of each tax dollar collected in the City.

This is close to the average share received by all cities in the County. 31 cities receive a larger share/55 cities a smaller share. Lynwood the same share.



**LOS ANGELES COUNTY - 2017/18
REPRESENTATIVE GENERAL LEVY SHARE ESTIMATE**
Estimate of City Representative Share of the General Levy

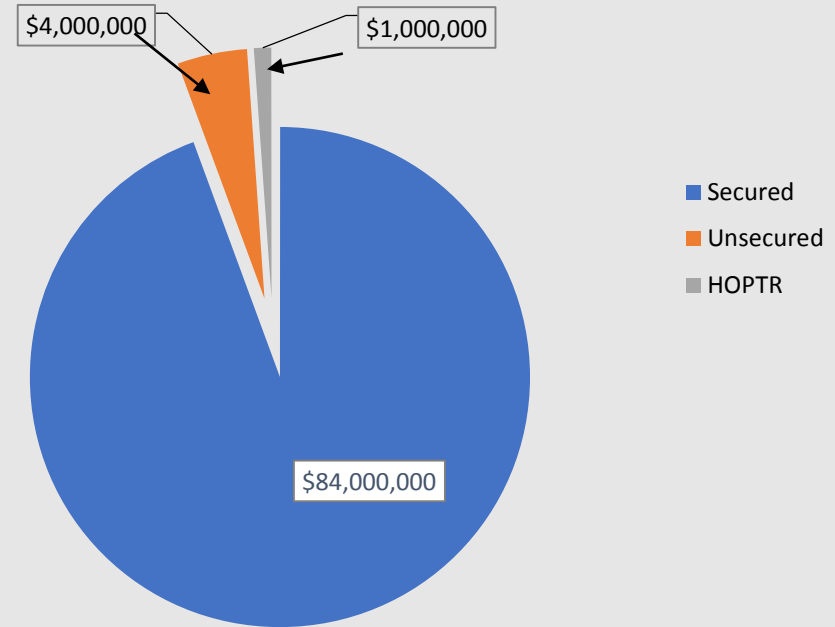
City	City Rate*	Other Rates*	Total	City	City Rate*	Other Rates*	Total
Los Angeles	0.2629		0.2629	Arcadia	0.0960		0.0960
South Pasadena	0.2400		0.2400	Hawthorne	0.0948		0.0948
San Marino	0.2364		0.2364	La Mirada	0.0671	0.0276	0.0947
Pomona	0.2335		0.2335	Rosemead	0.0668	0.0271	0.0939
Sierra Madre	0.2191		0.2191	Temple City	0.0666	0.0271	0.0937
Long Beach	0.2166		0.2166	Norwalk	0.0663	0.0263	0.0925
Pasadena	0.2109		0.2109	Duarte	0.0689	0.0233	0.0922
Hermosa Beach	0.2030		0.2030	Bell Gardens	0.0920		0.0920
Burbank	0.1847		0.1847	Pico Rivera	0.0667	0.0225	0.0892
La Verne	0.1816		0.1816	Westlake Village	0.0639	0.0240	0.0879
West Hollywood	0.1639	0.0148	0.1787	Cerritos	0.0680	0.0193	0.0873
Monrovia	0.1744		0.1744	Hidden Hills	0.0588	0.0220	0.0808
Beverly Hills	0.1742		0.1742	Industry	0.0794		0.0794
Avalon	0.1665		0.1665	Huntington Park	0.0735		0.0735
Redondo Beach	0.1654		0.1654	Vernon	0.0728		0.0728
Alhambra	0.1443	0.0199	0.1643	Whittier	0.0717		0.0717
Monterey Park	0.1578		0.1578	Malibu	0.0704		0.0704
Covina	0.1541		0.1541	Commerce	0.0679		0.0679
Azusa	0.1492		0.1492	Signal Hill	0.0678		0.0678
Manhattan Beach	0.1462		0.1462	Carson	0.0674		0.0674
San Fernando	0.1456		0.1456	Paramount	0.0672		0.0672
Inglewood	0.1409		0.1409	La Cañada Flintridge	0.0670		0.0670
Downey	0.1397		0.1397	Rolling Hills Estates	0.0669		0.0669
Santa Monica	0.1393		0.1393	South El Monte	0.0667		0.0667
West Covina	0.1351	0.0031	0.1382	Bellflower	0.0666		0.0666
Glendale	0.1357		0.1357	Artesia	0.0665		0.0665
Calabasas	0.0472	0.0820	0.1292	Lawndale	0.0662		0.0662
Santa Clarita	0.0573	0.0654	0.1228	Lancaster	0.0661		0.0661
Torrance	0.1220		0.1220	Cudahy	0.0659		0.0659
Baldwin Park	0.0952	0.0254	0.1206	Rolling Hills	0.0649		0.0649
Claremont	0.1142		0.1142	Maywood	0.0639		0.0639
Palos Verdes Estates	0.1130		0.1130	Rancho Palos Verdes	0.0637		0.0637
Lynwood	0.1130		0.1130	El Segundo	0.0632		0.0632
Gardena	0.1116		0.1116	Santa Fe Springs	0.0625		0.0625
San Gabriel	0.1064		0.1064	South Gate	0.0615		0.0615
Culver City	0.1043		0.1043	Bradbury	0.0614		0.0614
Palmdale	0.0663	0.0374	0.1037	Agoura Hills	0.0585		0.0585
Lomita	0.0666	0.0361	0.1026	Lakewood	0.0584		0.0584
Inwindale	0.1009		0.1009	Hawaiian Gardens	0.0560		0.0560
La Puente	0.0658	0.0349	0.1007	Bell	0.0537		0.0537
Compton	0.1004		0.1004	Walnut	0.0520		0.0520
La Habra Heights	0.1004		0.1004	Diamond Bar	0.0519		0.0519
San Dimas	0.0658	0.0335	0.0993	County Average:	0.1055	0.0065	0.1120
Montebello	0.0986		0.0986				
El Monte	0.0984		0.0984				
Glendora	0.0982		0.0982				

Property Tax Apportionment -AB-8 – the next step

Current Year – 1st Apportionment
December Payment Cycle

SHARE OF ALL TAXES LEVIES IN THE COUNTY

TAXING DISTRICT	APPORTIONMENT FACTOR	REVENUE ALLOCATED
County of Ocean	0.206568	\$18,384,552
Ocean County Library	0.033104	\$2,946,256
City of Surfside	0.100636	\$8,956,604
City of Beachtime	0.059724	\$5,315,436
NoH2O Fire District	0.006886	\$612,854
Ocean County Fire Dist.	0.001430	\$127,270
Ocean County Mosquito Abatement	0.003707	\$329,923
Beach Water District	0.005945	\$529,105
Surfside Sanitation District	0.002000	\$178,000
County Office of Education	0.050000	\$4,450,000
Beachtime School District	0.265000	\$23,585,000
SunnyBeach High School District	0.200000	\$17,800,000
Community College District	0.065000	\$5,785,000
TOTAL	1.000000	\$89,000,000



TOTAL REVENUE TO BE APPORTIONED IN THE CYCLE:
\$84,000,000+\$1,000,000+\$4,000,000 = \$89,000,000

**ALL CURRENT YEAR REVENUE RECEIVED IS
ALLOCATED BASED ON THE AB-8 APPORTIONMENT
FACTORS DEVELOPED EACH YEAR.**



THE COUNTY OF LOS ANGELES
2017/18 USE CATEGORY SUMMARY

BASIC PROPERTY VALUE TABLE

Category	Parcels	Assessed Value	Net Taxable Value
Residential	2,042,939	\$1,010,670,360,846 (68.2%)	\$1,003,475,404,462 (70.6%)
Commercial	89,492	\$212,649,520,216 (14.4%)	\$208,685,411,671 (14.7%)
Industrial	39,454	\$91,934,667,376 (6.2%)	\$91,145,112,608 (6.4%)
Dry Farm	60	\$22,246,613 (0.0%)	\$18,670,455 (0.0%)
Govt. Owned	255	\$2,842,170,318 (0.2%)	\$393,672,779 (0.0%)
Institutional	9,139	\$36,009,947,951 (2.4%)	\$10,314,803,633 (0.7%)
Irrigated	365	\$188,986,708 (0.0%)	\$187,664,792 (0.0%)
Miscellaneous	556	\$965,009,363 (0.1%)	\$460,527,524 (0.0%)
Recreational	2,119	\$6,278,642,112 (0.4%)	\$5,624,288,286 (0.4%)
Vacant	159,924	\$26,687,796,681 (1.8%)	\$25,146,443,895 (1.8%)
Exempt	51,797	\$8,831,606,353 (0.6%)	\$0 (0.0%)
SBE Nonunitary	[894]	\$1,396,143,896 (0.1%)	\$1,396,143,896 (0.1%)
Cross Reference	[31,734]	\$25,012,865,032 (1.7%)	\$23,980,727,144 (1.7%)
Unsecured	[200,918]	\$57,596,712,341 (3.9%)	\$51,246,248,724 (3.6%)
Unknown	1,515	\$221,750,435 (0.0%)	\$171,750,355 (0.0%)
TOTALS	2,397,615	\$1,481,308,426,241	\$1,422,246,870,224

SECURED AND UNSECURED ALLOCATIONS

Why is it difficult to forecast unsecured revenues?



THE CITY OF PALOS VERDES ESTATES
2017/18 USE CATEGORY SUMMARY

BASIC PROPERTY VALUE TABLE

Category	Parcels	Assessed Value	Net Taxable Value
Residential	5,093	\$6,935,084,105 (97.5%)	\$6,934,299,059 (98.0%)
Commercial	28	\$37,629,755 (0.5%)	\$37,629,755 (0.5%)
Institutional	5	\$7,940,589 (0.1%)	\$4,034,902 (0.1%)
Miscellaneous	3	\$9,791 (0.0%)	\$9,791 (0.0%)
Vacant	95	\$75,141,887 (1.1%)	\$75,141,703 (1.1%)
Exempt	206	\$33,854,895 (0.5%)	\$0 (0.0%)
Cross Reference	[12]	\$19,340,231 (0.3%)	\$19,340,231 (0.3%)
Unsecured	[113]	\$5,420,484 (0.1%)	\$5,410,484 (0.1%)
TOTALS	5,430	\$7,114,421,737	\$7,075,865,925

ASSESSED VALUE

NET TAXABLE VALUE

Palos Verdes Estates will receive 3.5% more of their property tax allocation as UNSECURED revenue than their value would produce and 3.5% less SECURED revenue of the whole for the same total of 100% of property tax revenue used to develop their apportionment factor.

POOLED REVENUE AND APPORTIONMENT-



- Revenue that is pooled is distributed per AB8 factors to ALL taxing jurisdictions based on their share of all revenue levied.

THESE REVENUE SOURCES INCLUDE:

- **Supplemental Bills** --Additional tax bills sent after sales transaction or new construction that happens mid-year
- **Roll Corrections** – positive or negative changes
- **Successful Appeals** – Tax payer refunds due to value adjustments in appeal actions

APPEALS FOR VALUE REDUCTIONS

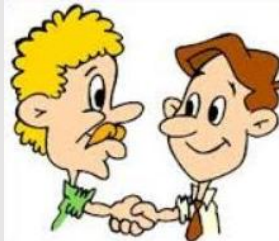
THE ASSESSMENT APPEALS PROCESS



An owner disagrees with the value enrolled by the assessor and files an appeal.



An Administrative conference between the property owner and assessor's staff is held.



IF THERE IS AGREEMENT, THE VALUE IS CHANGED.



IF AN AGREEMENT IS NOT REACHED, THE CASE MOVES TO THE AAB

FOR HEARING.

**THE CASE MUST
BE HEARD WITHIN 2 YEARS**



**THE HEARING DECISION IS FINAL.
There is no appeal of the appeal.**



THE ASSESSMENT APPEALS PROCESS

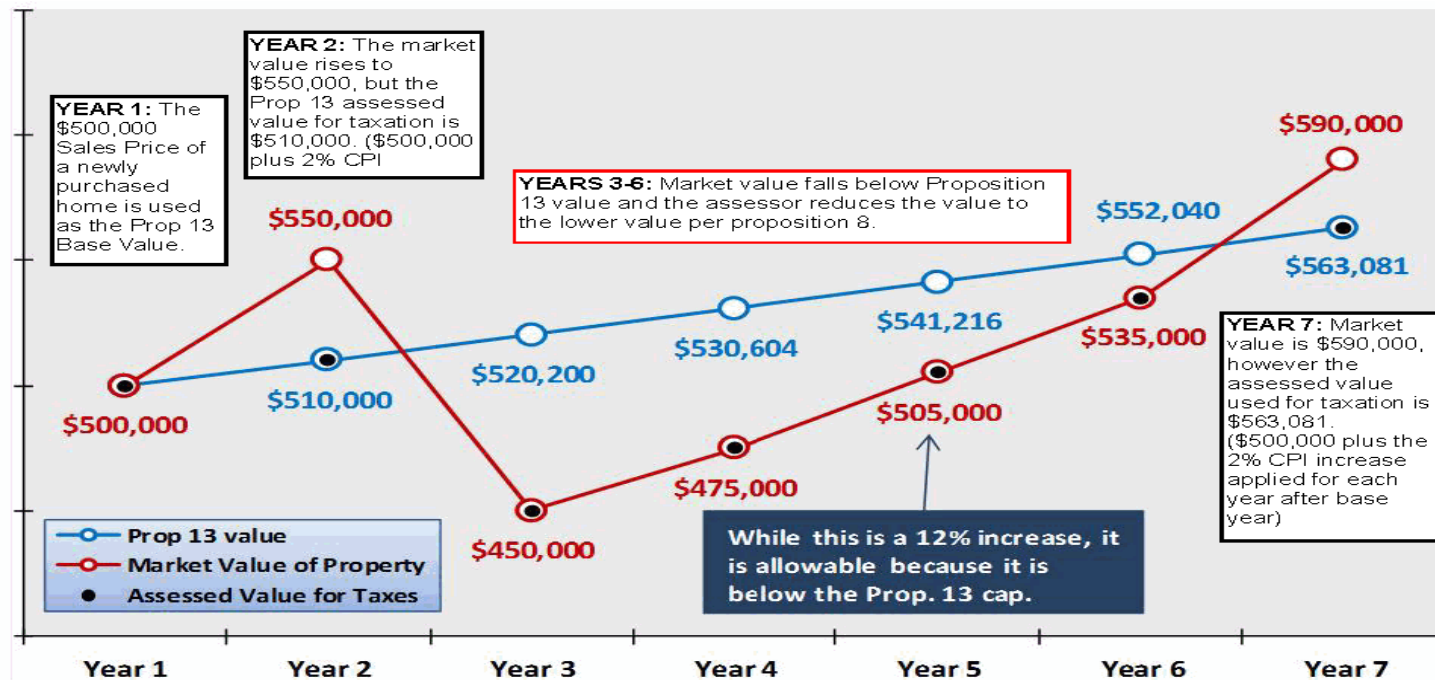
IMPORTANT THINGS TO REMEMBER:

- The case is between the applicant and Appeals Board. A City does not have an opportunity to speak to the case unless they are subpoenaed by the Assessor staff to relate pertinent information.
- Appeals granted can be for multiple years.
- Tax payer refunds may be for multiple years and hit a single year's property tax allocation. Refunds to the taxpayers are pooled using the AB8 apportionment factors.

PROPOSITION 8—Valuation Reviews

Recapturing Proposition 8 Reductions

Proposition 13 caps the growth of a property's assessment at no more than 2% each year unless the market value of property falls lower. When property values decline Proposition 8 which was passed by the voters in 1978 allows the property to be temporarily assessed at the lower value. Once reduced, the assessed value and property taxes may increase by more than 2% a year as the property values rise during a real estate recovery. The "recaptured" values can be adjusted upward to the annually adjusted Proposition 13 cap (blue line below).





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%				

- At the peak of the real estate downturn and the assessor had reduced values of 641 homes per Prop 8 reviews 12.6% of all SFR Properties had been reduced. \$292.2 million in value was taken off the tax rolls. 5.3% of the total city value was reduced.
- 24.5% of the reduced values is left to be restored AS OF 2017-18.
- About 1/3 of the reduced homes remaining received some increase in 2017-18
- 159 homes—3.1% of all homes are still undervalued below their trended Prop 13 values.



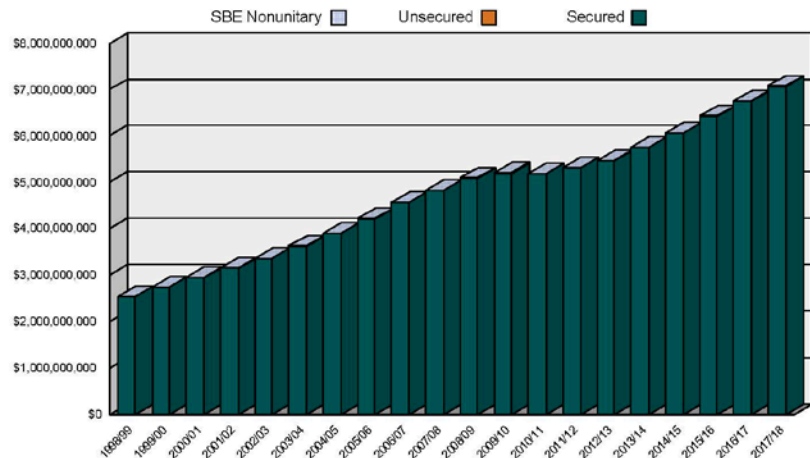
REAL ESTATE TRENDS IN PALOS VERDES ESTATES

Trends impacting future revenue

THE CITY OF PALOS VERDES ESTATES NET TAXABLE ASSESSED VALUE HISTORY

1998/99 - 2017/18 Taxable Property Values

Lien Year	Secured	Unsecured	SBE Nonunitary	Net Total AV	% Change
1998/99	\$2,534,248,313	\$5,181,041	\$0	2,539,429,354	
1999/00	\$2,738,565,623	\$7,937,227	\$0	2,746,502,850	8.15%
2000/01	\$2,937,125,998	\$4,727,691	\$0	2,941,853,689	7.11%
2001/02	\$3,144,372,888	\$5,991,435	\$0	3,150,364,323	7.09%
2002/03	\$3,357,847,220	\$5,798,009	\$0	3,363,645,229	6.77%
2003/04	\$3,623,833,584	\$6,661,372	\$0	3,630,494,956	7.93%
2004/05	\$3,903,203,303	\$7,224,344	\$0	3,910,427,647	7.71%
2005/06	\$4,218,880,929	\$5,496,778	\$0	4,224,377,707	8.03%
2006/07	\$4,573,891,747	\$4,666,649	\$0	4,578,558,396	8.38%
2007/08	\$4,822,553,599	\$5,851,013	\$0	4,828,404,612	5.46%
2008/09	\$5,089,863,826	\$6,117,545	\$0	5,095,981,371	5.54%
2009/10	\$5,196,088,642	\$6,615,233	\$0	5,202,703,875	2.09%
2010/11	\$5,177,444,700	\$6,048,469	\$0	5,183,491,169	-0.37%
2011/12	\$5,318,089,948	\$6,144,415	\$0	5,324,234,363	2.72%
2012/13	\$5,459,340,107	\$5,683,705	\$0	5,465,023,812	2.64%
2013/14	\$5,745,707,104	\$6,178,596	\$0	5,751,883,700	5.25%
2014/15	\$6,059,750,797	\$7,021,633	\$0	6,066,772,430	5.47%
2015/16	\$6,426,743,210	\$6,965,669	\$0	6,433,708,879	6.05%
2016/17	\$6,742,382,802	\$5,764,559	\$0	6,748,147,361	4.89%
2017/18	\$7,070,455,441	\$5,410,484	\$0	7,075,865,925	4.86%



The peak value in Palos Verdes Estates before the recession began was \$5.2 billion in 2009-10. This price was seen about a year later than other cities in the county where the reductions in value were already been noted in 2009-10.

There was only one down year as the recession started and the city bounced back in 2011-12.

Today's value is 36% higher than that reported before the recession.





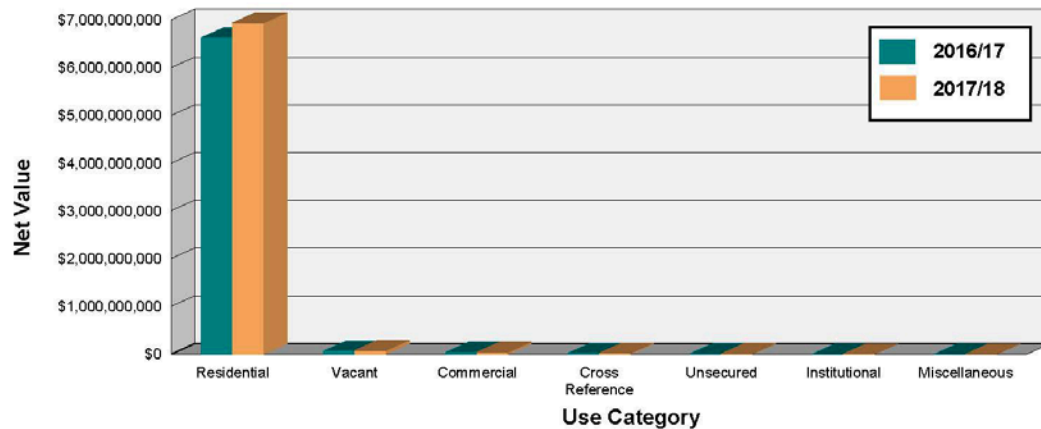
**THE CITY OF PALOS VERDES ESTATES
2017/18 GROWTH BY USE CATEGORY**

2016/17 to 2017/18 Value Growth by Use Category

Category	2016/17 Net Taxable Value		2017/18 Net Taxable Value		\$ Change	% Change
Residential	5,091	\$6,624,095,460	5,093	\$6,934,299,059 (98.0%)	\$310,203,599	4.7%
Vacant	97	\$63,997,254	95	\$75,141,703 (1.1%)	\$11,144,449	17.4%
Commercial	28	\$35,318,521	28	\$37,629,755 (0.5%)	\$2,311,234	6.5%
Cross Reference	[12]	\$18,797,402	[12]	\$19,340,231 (0.3%)	\$542,829	2.9%
Unsecured	[219]	\$5,764,559	[113]	\$5,410,484 (0.1%)	-\$354,075	-6.1%
Institutional	5	\$164,284	5	\$4,034,902 (0.1%)	\$3,870,618	> 999.9%
Miscellaneous	3	\$9,881	3	\$9,791 (0.0%)	-\$90	-0.0%
Exempt	206	\$0	206	\$0 (0.0%)	\$0	0.0%
TOTALS	5,430	\$6,748,147,361	5,430	\$7,075,865,925 (100.0%)	\$327,718,564	4.9%

Numbers in blue are parcel/assessment counts

Assessed Value by Major Use Category



94.5% of the city's growth was due to something happening in the residential sector. Sales Transactions, new construction, Prop 8 value restorations.

Vacant properties purchased in anticipation of development added \$11 million between tax years.

Institutional – Saint Francis Episcopal Church filed their exemption late.

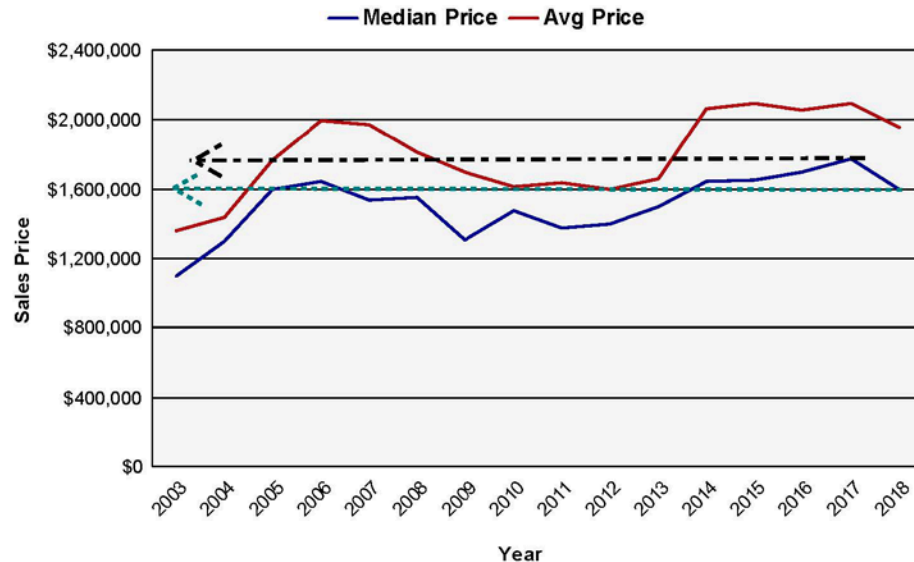




THE CITY OF PALOS VERDES ESTATES SALES VALUE HISTORY

Single Family Residential Full Value Sales (01/01/2003 - 5/31/2018)

Year	Full Value Sales	Average Price	Median Price	Median % Change
2003	277	\$1,357,250	\$1,100,000	
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	86	\$1,957,055	\$1,597,500	-10.00%



MEDIAN/AVERAGE SALES PRICE HISTORY

Comparison of median sale prices of Single Family homes through 5/31/2018

- Median Prices in 2017 – the data used for the 2018-19 budget projections -- increased 4.41% to a high of \$1,775,000.
- 2018 has seen the lowest price point of properties coming to market since 2013 (Jan.- May). The prices will likely increase as we move into the summer months.
- The current median price is \$45,000 lower than that reported in 2006 - the high before the real estate recession.



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

<u>Single Family Residential</u>					<u>Multifamily, Commercial, Industrial, Vacant</u>				<u>Totals</u>				
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)

In PVE it takes \$70.7 million in new values added to the City to move general fund revenue up 1%. The market value of sales will add \$173.3 million to the roll in 2018-19.

This is the equivalent of a 2.45% increase to next year's values and GF revenue.

THINGS TO REMEMBER WHEN BUDGETING PROPERTY TAX REVENUE

- The CPI for the 2018-19 Fiscal Year will be 2.00%
- Given the number of Proposition 8 restorations processed for 2017-18 there is about 24.6% of the pool of values left to be restored. The City should not count on a boost of more than 0.2% – 0.25% on restored value.
- In order for cities to see property value increases due to the new construction or sales activity, it needs to be completed and enrolled in December before the January lien date. For 2018-19 property taxes, that means the event had to be recorded by December 2017.

***THINGS TO REMEMBER WHEN BUDGETING PROPERTY
TAX REVENUE (cont.)***

BE READY TO ADJUST MID YEAR FOR EVENTS AFTER THE ROLL CLOSES

SUPPLEMENTAL APPORTIONMENTS

TAX PAYER REFUNDS

ROLL CORRECTIONS

ACTUAL PROP 8 VALUE RESTORATION



**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		
<i>Citywide Net Taxable Value 2017-18</i>		\$7,075,865,925	
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	<-- CALCULATED
Transfer of Ownership Assessed Value Change	\$173,338,257	\$173,338,257	<-- BASED ON 2017 SALES
Est. SFR Prop 8 Adj Based on Recent SFR Price	\$14,153,389	\$14,153,389	<-- EST. BASED ON MEDIAN SALES
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	<-- BUDGETED FLAT
Unsecured Personal Property Value (0.0% growth)	\$3,226,560	\$3,226,560	<-- BUDGETED FLAT
Nonunitary Utility Value	\$0	\$0	<-- BUDGETED FLAT
Enter Completed New Construction			<-- TO BE ADDED BY CITY
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		WEIGHTED 1% SHARE
Aircraft Rate (.01 * 0.333333333)	\$0		
Enter Unitary Taxes Budgeted Flat			<-- TO BE ADDED BY CITY
Net GF Estimate for 2018-19	\$8,218,167		
Enter Suppl. Apportionment Recd. - Avg. 3 Yrs			<-- TO BE ADDED BY CITY
Enter Delinquent Apportionment Recd. - Avg. 3 Yrs			<-- TO BE ADDED BY CITY
Base Value of VLFAA		\$1,449,060	
Estimated Change to VLFAA		\$65,932	<-- GROWTH IN VLFAA BASED ON % CHANGE
VLFAA Estimate for 2018-19		\$1,514,992	



**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
General Fund and BY Values	\$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
Estimated Total Percent Change	4.55%	3.67%	3.68%	3.70%	3.71%
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 GENERAL FUND REVENUE ESTIMATE

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

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
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
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Transfer of Ownership Assessed Value Change	\$173,338,257	\$126,676,184	\$131,363,808	\$136,238,402	\$141,306,713
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Estimated Real Property Value	\$7,394,281,219	\$7,665,490,650	\$7,947,908,377	\$8,241,840,340	\$8,547,619,894
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	\$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
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

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