



RON GALPERIN
CONTROLLER

August 9, 2022

Honorable Members of the City Council

SUBJECT: TAX RATE ORDINANCE

Section 331 of the City Charter prescribes in part that "...the Council shall adopt an ordinance levying upon the assessed valuation of the property in the City, in accordance with the provisions of law, a rate of taxation upon each one hundred dollars (\$100) of valuation..."

To assist you in determining the tax rate required to generate necessary revenues for bond redemption and interest for the existing series of general obligation bonds and a new Series 2022-A of Proposition HHH general obligation bonds to be issued in Fiscal Year 2022-23, I am submitting pertinent data compiled and computed in accordance with bond redemption and interest requirements of the several taxation districts within the City.

In accordance with the provision of the State Revenue and Taxation Code, the County Auditor certified the City's total assessed valuation of \$774,463,687,509. This value is 7.00% higher than the prior year's valuation of \$723,766,785,889.

Despite the higher assessed valuation, the overall tax rate applicable to all Tax Districts is higher than the previous year's overall tax rate as a result of an increase in the City's overall net debt service requirements. A tax rate comparison is presented below:

COMPARISON OF TAX RATES (PER \$100 VALUATION)
FOR GENERAL OBLIGATION BONDS

<u>2022-23</u>	<u>2021-22</u>	<u>Increase</u>
0.016066	0.014721	0.001345

A draft of the Tax Rate Ordinance will be submitted by the City Attorney. In addition, the City Administrative Officer will also be submitting a separate report with an accompanying resolution noting Council's expectation to issue a new series of Proposition HHH general obligation bonds, Series 2022-A, in Fiscal Year 2022-23 for your approval and consideration.

Sincerely,

RON GALPERIN
City Controller