



Gavin Newsom ■ Governor

1021 O Street, Suite 3110 ■ Sacramento CA 95814 ■ www.dof.ca.gov

April 30, 2024

Dear Fiscal Officer:

Price Factor and Population Information

Appropriations Limit

California Revenue and Taxation Code section 2227 requires the Department of 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, 2024, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2024-25. Attachment A provides the change in California's per capita personal income and an example for utilizing the factors to calculate the 2024-25 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. 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, 2024.** 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.

/s Erika Li

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 2024-25 appropriation limit is:

Per Capita Personal Income	
Fiscal Year (FY)	Percentage change over prior year
2024-25	3.62

- B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2024-25 appropriation limit.

2024-25:

Per Capita Cost of Living Change = 3.62 percent
Population Change = 0.17 percent

Per Capita Cost of Living converted to a ratio: $\frac{3.62 + 100}{100} = 1.0362$

Population converted to a ratio: $\frac{0.17 + 100}{100} = 1.0017$

Calculation of factor for FY 2024-25: $1.0362 \times 1.0017 = 1.0379$



OFFICE OF THE ASSESSOR
COUNTY OF LOS ANGELES



April 11, 2024

Ms. Angela Melgar
Finance Manager
City of Vernon
4305 Santa Fe Ave
Vernon, CA 90058

Dear Ms. Angela Melgar:

Your agency, the City of Vernon, in order to effect an adjustment of its Gann Limit, has requested that the Assessor's Office supply the percentage change in total assessed valuation for the city over that of the preceding year, due to nonresidential new construction.

For the City of Vernon, the 2023-2024 net change in nonresidential new construction, applicable to the 2024-2025 budget, is 16.67%.

If we can be of further service, please call Kevin Quon at (213) 974-4877.

Sincerely,

Kevin Quon
Appraiser
Quality Assurance

Enclosures

COUNTY OF LOS ANGELES - OFFICE OF THE ASSESSOR
Proposition 111 Analysis

Non-Residential New Construction (SE City Report) Current - 7/9/23		New Construction	Lesser Maintenance	Other Construction	Total New Construction
Commercial - Industrial	Authorizations	\$0	\$35,310,240	\$0	\$35,310,240
	Current	\$0	\$126,794	\$0	\$126,794
Other	Authorizations	\$0	\$0	\$0	\$0
	Current	\$0	\$0	\$0	\$0
Total New Construction		\$0	\$35,437,034	\$0	\$35,437,034
Add Fixtures (SV16 Report) Current - 7/11/23				\$844,150,057	
Less Fixtures (SV16 Report) Prior - 7/21/22				\$768,141,683	
Net Fixtures Adjustment					\$76,008,374
Net Increase in New Non-Res Construction from Prior Year					\$111,445,408
City Total (SV 16 Report)		Secured RE & PP Exemptions	Unsecured PP Exemption	Net Assessed Values	Total Assessed Values
Current Year - 7/11/23		\$4,030,273	\$66,948	\$7,934,861,122	\$7,938,958,343
Prior Year - 7/21/22		\$236,626	\$0	\$7,270,299,791	\$7,270,536,417
Net Increase in Local Assessment Roll From Prior Year					\$668,421,926
Percentage Increase Allowable = New Non-Res Growth / Total Roll Growth X 100 =					16.67%
Percentage Increase Allowable (without Fixtures)					5.30%

YEAR 2023-2024

AGENCY City of Vernon

AGENCY NO. 276.00

Fiscal Year 2024-25

Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024 and Total Population, January 1, 2024

County City	Percent Change	--- Population Minus Exclusions ---		Total Population
	23-24	1-1-23	1-1-24	1-1-24
South Gate	0.03	92,701	92,729	92,729
South Pasadena	-0.37	26,367	26,270	26,270
Temple City	-0.18	36,040	35,975	35,975
Torrance	-0.36	143,433	142,910	142,910
Vernon	-0.49	206	205	205
Walnut	-0.10	27,896	27,867	27,867
West Covina	0.65	108,404	109,105	109,105
West Hollywood	-0.44	35,229	35,075	35,075
Westlake Village	-0.45	7,938	7,902	7,902
Whittier	0.22	87,333	87,527	87,527
Unincorporated	-0.19	998,818	996,956	997,587
County Total	0.05	9,810,925	9,815,428	9,824,091

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

ALTERNATIVE ADJUSTMENT FACTORS

Under Proposition 111, there are two options available for each of the major adjustment factors. The values of these factors for the purpose of calculating the Gann Limit are as follows:

		<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>
<u>Price Factors:</u>				
(A)	Percent growth in State per Capita Personal Income: (Source: California Department of Finance)	7.55%	4.44%	3.62%
	Price Factor A	1.0755	1.0444	1.0362
(B)	Percent change in Assessed Valuation in new non-residential construction (Source: Los Angeles County Assessor's Office)	21.82	11.17	16.67
	Price Factor B	1.2182	1.1117	1.1667
<u>Population Factors:</u>				
(C)	Percentage growth in County Population (Source: California Department of Finance)	-0.71	-0.75	0.05
	Population Factor C	0.9929	0.9925	1.0005
(D)	Percent growth in City Population (Source: California Department of Finance)	-0.95	-0.97	-0.49
	Population Factor D	0.9905	0.9903	0.9951

Annual Adjustment Factors:

Based upon the actual data, the four alternative adjustment factors are as follows:

A x C	1.06786395	1.03656700	1.03671810
A x D	1.06528275	1.03426932	1.03112262
B x C	1.20955078	1.10336225	1.16728335
B x D	1.20662710	1.10091651	1.16098317

CITY OF VERNON

APPROPRIATION LIMIT UNDER PROPOSITION 4 AND
SECTION 7901 OF THE GOVERNMENT CODE

2024-2025 APPROPRIATION LIMIT CALCULATION

2023-2024 Appropriation Limit	2,626,172,281
Increase in Nonresidential Construction 16.67%	
Los Angeles County population change 0.05 %	
1.1667 X 1.0005 = 1.16728335	X <u>1.16728335</u>
2024-2025 Appropriation Limit	<u><u>3,065,487,178</u></u>