

Humboldt County, California

Fiscal Year 2021-22 Appropriations Limit Calculations

**Article XIII B of the California Constitution and California Government
Code Title I, Division 9 (Commencing with Section 7900)**

Gann Limit Summary

In November 1979, California voters approved Proposition 4 (the Gann Initiative) and added Article XIII B to the California State Constitution. In 1980, the State Legislature added Division 9 (commencing with [Section 7900](#)) to Title I of the Government Code to implement Article XIII B. This legislation required the governing body of each local jurisdiction in California to establish an Appropriations Limit (also referred to as the GANN Limit) on or before June 30 of each year for the following fiscal year. The Appropriations Limit is based on actual appropriations during the fiscal year (FY) 1986-87 and adjusted each year using population and inflation adjustment factors.

On June 5, 1990, California voters approved Proposition 111, amending Article XIII B. Proposition 111 allows local jurisdictions to choose among measures of inflation and population growth to compute the adjustment factor. The measures for inflation (price factors) include growth in California per capita income or growth in the county's gross assessed valuation due to new non-residential construction; while measures for population growth include population growth within the county, county and contiguous counties or all cities within the county.

The proposed Appropriations Limit for Humboldt County for FY 2021-22 is \$218,342,402. In accordance with Proposition 111 guidelines, the FY 2021-22 Appropriations Limit was calculated by adjusting the prior year's Appropriation Limit using the adjustment factors described in Government Code Section 7901. The alternative adjustment factors applicable to FY 2021-22 are shown on page 1-2 of the attached calculations. The recommended adjustment factor was calculated using the price factor based on the percent change in State per capital income (5.73%) and the population factor based on the percent growth in the incorporated portion of the county (-.9%), resulting in an adjustment factor of 1.0572.

The Appropriations Limit does not apply to all county revenues, or all General Fund revenues, but only to proceeds of taxes including property tax, sales tax, transient occupancy tax, and other local taxes. Excluded from the appropriations subject to the limit are costs required to comply with court or federal mandates, qualified capital outlays and debt service costs for qualified capital projects. Other revenues, including fees, licenses and permits, rents and concessions, interfund transfers and state funds provided for a specific purpose are not subject to the limit. Charges for services or fees cannot exceed the cost of providing the service or regulation and thus are also excluded. The appropriations subject to the limit total \$84,514,068; \$133.8 million below the calculated appropriations limit of \$218,342,402.

GANN LIMIT CALCULATIONS

Fiscal Year 2021-22 Alternative Adjustment Factors & Calculation of Appropriations Limit

Price Factor (A)

Percent growth in State Per Capita Personal Income.

(Source: California Dept. of Finance, Price Factor and Population letter dated May 2021)

Price Factor = 5.73000

Price Factor converted to Adjustment Factor = $(\text{price factor} + 100)/100$

Adjustment Factor (A) = 1.05730

Price Factor (B)

Percentage change in the local assessment roll from the preceding year due to the addition of local nonresidential new construction.

(Source: Humboldt County Assessor Proposition 111 Report)

(a) Prior year total secured and unsecured assessment roll value =	\$	14,549,755,502	FY 2019-20
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(b) New nonresidential construction value =	\$	29,102,994	FY 2020-21
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Price Factor = b/a 0.00200

Price Factor converted to Adjustment Factor = $(\text{price factor} + 100)/100$

Adjustment Factor (B) = 1.00002

Population Factor (C)

Percent growth in population within the county combined with population growth in all counties having borders contiguous to the county.

(Source: California Dept. of Finance, Price Factor and Population letter dated May 2021)

Percent growth in counties population = (0.00896)

Population Factor converted to Adjustment Factor = $(\text{population factor} + 100)/100$

Adjustment Factor (C) = 0.99991

Population Factor (D)

Percent growth in population within the incorporated portion of the county.

(Source: California Dept. of Finance, Price Factor and Population letter dated May 2021)

Percent growth in cities population = (0.02426)

Population Factor converted to Adjustment Factor = $(\text{population factor} + 100)/100$

Adjustment Factor (D) = 0.99976

Fiscal Year 2021-22 Alternative Adjustment Factors & Calculation of Appropriations Limit (continued)

Population Factor (E)

Percent growth in population within the the county.

(Source: California Dept. of Finance, Price Factor and Population letter dated May 2021)

Percent growth in Humboldt County = (0.01430)

Population Factor converted to Adjustment Factor = (population factor + 100)/100

Adjustment Factor (E) = 0.99986

Annual Adjustment Factors

Based on the actual data, the six alternative adjustment factors are as follows:

A x C =	1.05730	x	0.99991	=	1.05721
A x D =	1.05730	x	0.99976	=	1.05704
A x E =	1.05730	x	0.99986	=	1.05715
B x C =	1.00002	x	0.99991	=	0.99993
B x D =	1.00002	x	0.99976	=	0.99978
B x E =	1.00002	x	0.99986	=	0.99988

The recommended limit is (A x C), which results in a 5.72% increase over the fiscal year 2020-21 Annual Appropriations Limit. Of the six adjustment factors listed above this represents the largest allowable increase to the appropriations limit.

Calculation of the Fiscal Year 2021-22 Appropriations Limit:

(Prior Year Limit) x (Recommended Adjustment Factor) = New Limit

$$206,527,920 \times 1.05721 = \underline{\$ 218,342,402}$$

Appropriations Subject to the Appropriations Limit *

Property Tax		\$	33,245,715
Sales Tax			6,160,000
Sales Tax Measure Z			12,515,504
Transient Occupancy Tax			2,200,000
Property Transfer Tax			836,000
Business License Tax			75,000
Cannabis Excise Tax			9,200,000
Timber Yield Tax			632,700
Motor Vehicle License Fee			20,760,000
Homeowners Property Tax Relief Reimb.			335,270
State Mandate Reimbursements			90,000
Other Discretionary State Aid			9,200
Interest Earnings			80,865
 Total Unadjusted Appropriations subject to Limit	 [A]	 \$	 <u><u>86,140,254</u></u>

Adjustment for Appropriations Not Subject to the Appropriations Limit
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Debt Service			
2004 COP Refunding Animal Shelter			307,770
2003 COP Refunding Jail, Regional Center and Library			872,476
2012 COP Juvenile Hall and Earthquake Projects			445,940
 Total Adjustment	 [B]	 \$	 1,626,186
 Total Adjusted Appropriations Subject to the Limit	 [C = A - B]	 \$	 <u><u>84,514,068</u></u>

Difference between the Appropriations Limit and Appropriations Subject to the Limit
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Appropriations Limit for Fiscal Year 2021-22		\$	<u><u>218,342,402</u></u>
 Adjusted Appropriations are below the Limit by	 [E= D - C]	 \$	 <u><u>133,828,334</u></u>

* Source: Fiscal Year 2020-21 County Adopted Budget, Estimated Revenue by Source (Schedule 5)

**Interest Allocation
Fiscal Year 2021-22**

	<u>Amount</u>	<u>Source</u>
a) Non-interest Tax Proceeds	\$ 86,140,254	Appropriations
b) Minus Exclusions	<u>1,626,186</u>	<u>Appropriations</u>
c) Net Invested Proceeds from Taxes	<u>84,514,068</u>	<u>(a-b)</u>
d) Total Revenue	473,824,167	Revenue Schedule 5
e) Proceeds of Taxes as a Percentage of Revenues	17.84%	(c/d)
f) Interest Earnings - Total	453,800	Revenue Schedule 5
g) Amount of interest Earned from Proceeds of Taxes	<u><u>\$ 80,942</u></u>	<u><u>(e x f)</u></u>

**County of Humboldt
 Calculation to Determine Appropriation Limit in Accordance
 with Article XIIB of the California Constitution
 Population of Humboldt County Cities
 Fiscal Year 2021-22**

City	Population Minus Exclusions		Change
	January 1, 2020	January 1, 2021	
Arcata	17,891	16,909	(982)
Blue Lake	1,271	1,262	(9)
Eureka	26,582	26,113	(469)
Ferndale	1,376	1,368	(8)
Fortuna	12,006	11,926	(80)
Rio Dell	3,270	3,299	29
Trinidad	345	342	(3)
Total	62,741	61,219	(1,522)
Percentage Change			<u>(0.02425846)</u>

Source: California Department of Finance, Price Factor and Population Information letter dated May 2021

County of Humboldt
Calculation to Determine Appropriation Limit in Accordance
with Article XIIB of the California Constitution
Population of Contiguous Counties
Fiscal Year 2021-22

County	Population Minus Exclusions		Change
	January 1, 2020	January 1, 2021	
Del Norte	24,566	24,686	120
Humboldt	132,659	130,762	(1,897)
Mendocino	87,547	86,655	(892)
Siskiyou	44,384	44,325	(59)
Trinity	13,481	13,497	16
Total	302,637	299,925	(2,712)
Percentage Change			<u>(0.00896123)</u>

Source: California Department of Finance, Price Factor and Population Information letter dated May 2021



May 2021

Dear Fiscal Officer:

Subject: Price Factor and Population Information

Appropriations Limit

California Revenue and Taxation Code section 2227 requires the Department of Finance (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, 2021, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2021-22. Attachment A provides the change in California's per capita personal income and an example for utilizing the price factor and population percentage change factor to calculate the 2021-22 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. The code section and the California Constitution can be accessed at the following website: <http://leginfo.legislature.ca.gov/faces/codes.xhtml>.

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, 2021.**

Please Note: The prior year's city population estimates may be revised. The per capita personal income change is based on historical data. Given the stay-at-home orders due to COVID-19, growth in the coming years may be substantially lower than recent trends.

If you have any questions regarding this data, please contact the Demographic Research Unit at (916) 323-4086.

KEELY MARTIN BOSLER
Director
By:

/s/ Erika Li

Erika Li
Chief Deputy Director

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 2021-22 appropriation limit is:

Per Capita Personal Income

Fiscal Year (FY)	Percentage change over prior year
2021-22	5.73

- B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2021-22 appropriation limit.

2021-22:

Per Capita Cost of Living Change = 5.73 percent
 Population Change = -0.46 percent

Per Capita Cost of Living converted to a ratio: $\frac{5.73 + 100}{100} = 1.0573$

Population converted to a ratio: $\frac{-0.46 + 100}{100} = 0.9954$

Calculation of factor for FY 2021-22: $1.0573 \times 0.9954 = 1.0524$

Fiscal Year 2021-22

Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2020 to January 1, 2021 and Total Population, January 1, 2021

County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total Population</u>
	2020-2021	1-1-20	1-1-21	1-1-2021
Humboldt				
Arcata	-5.49	17,891	16,909	16,909
Blue Lake	-0.71	1,271	1,262	1,262
Eureka	-1.76	26,582	26,113	26,113
Ferndale	-0.58	1,376	1,368	1,368
Fortuna	-0.67	12,006	11,926	11,926
Rio Dell	0.89	3,270	3,299	3,299
Trinidad	-0.87	345	342	342
Unincorporated	-0.54	69,918	69,543	69,632
County Total	-1.43	132,659	130,762	130,851

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

Attachment C
Annual Percent Change in Population Minus Exclusions*
January 1, 2020 to January 1, 2021

County	<u>Percent Change</u> 2020-21	<u>--- Population Minus Exclusions ---</u>	
		1-1-20	1-1-21
Alameda			
Incorporated	-0.36	1,513,580	1,508,085
County Total	-0.37	1,661,183	1,654,975
Alpine			
Incorporated	0.00	0	0
County Total	-0.96	1,146	1,135
Amador			
Incorporated	-0.59	12,069	11,998
County Total	-0.42	33,613	33,472
Butte			
Incorporated	0.72	142,227	143,255
County Total	-3.01	208,951	202,669
Calaveras			
Incorporated	-0.05	4,040	4,038
County Total	0.00	44,951	44,952
Colusa			
Incorporated	1.14	11,622	11,755
County Total	0.99	22,030	22,248
Contra Costa			
Incorporated	0.35	976,038	979,431
County Total	0.35	1,149,769	1,153,770
Del Norte			
Incorporated	0.15	4,067	4,073
County Total	0.49	24,566	24,686
El Dorado			
Incorporated	0.33	34,174	34,286
County Total	0.96	193,435	195,297

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

Fiscal Year 2021-22

Attachment C
Annual Percent Change in Population Minus Exclusions*
January 1, 2020 to January 1, 2021

County	<u>Percent Change</u> 2020-21	<u>--- Population Minus Exclusions ---</u> 1-1-20	<u>1-1-21</u>
Fresno			
Incorporated	0.92	844,472	852,243
County Total	0.68	1,014,450	1,021,345
Glenn			
Incorporated	0.98	14,617	14,760
County Total	0.61	29,498	29,679
Humboldt			
Incorporated	-2.43	62,741	61,219
County Total	-1.43	132,659	130,762
Imperial			
Incorporated	-0.58	146,061	145,221
County Total	-0.90	181,596	179,960
Inyo			
Incorporated	0.36	3,910	3,924
County Total	0.04	18,500	18,507
Kern			
Incorporated	0.87	576,719	581,738
County Total	0.65	894,047	899,863
Kings			
Incorporated	1.35	107,598	109,054
County Total	0.92	138,781	140,054
Lake			
Incorporated	-0.12	18,789	18,767
County Total	-0.11	63,945	63,874
Lassen			
Incorporated	-1.50	8,012	7,892
County Total	-0.92	21,912	21,710

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Attachment C
Annual Percent Change in Population Minus Exclusions*
January 1, 2020 to January 1, 2021

County	<u>Percent Change</u> 2020-21	<u>--- Population Minus Exclusions ---</u>	
		1-1-20	1-1-21
Los Angeles			
Incorporated	-0.86	9,092,093	9,014,142
County Total	-0.89	10,127,550	10,037,774
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Madera			
Incorporated	0.86	78,102	78,770
County Total	0.57	152,872	153,742
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Marin			
Incorporated	-0.42	191,682	190,877
County Total	-0.43	256,217	255,106
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Mariposa			
Incorporated	0.00	0	0
County Total	-0.02	17,993	17,989
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Mendocino			
Incorporated	-1.71	28,905	28,410
County Total	-1.02	87,547	86,655
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Merced			
Incorporated	2.25	188,284	192,518
County Total	0.55	282,236	283,795
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Modoc			
Incorporated	-0.07	2,888	2,886
County Total	-0.06	9,497	9,491
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Mono			
Incorporated	-0.33	7,853	7,827
County Total	-1.16	13,317	13,163
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Monterey			
Incorporated	-0.57	323,210	321,366
County Total	-0.48	429,874	427,819
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Attachment C
Annual Percent Change in Population Minus Exclusions*
January 1, 2020 to January 1, 2021

County	<u>Percent Change</u> 2020-21	<u>--- Population Minus Exclusions ---</u> 1-1-20	<u>1-1-21</u>
Napa			
Incorporated	0.22	113,323	113,568
County Total	-0.80	136,978	135,878
Nevada			
Incorporated	0.12	32,015	32,052
County Total	-0.28	97,698	97,422
Orange			
Incorporated	-0.88	3,052,930	3,025,931
County Total	-0.84	3,180,440	3,153,718
Placer			
Incorporated	1.86	285,092	290,381
County Total	1.50	399,015	404,994
Plumas			
Incorporated	-0.98	1,947	1,928
County Total	-0.77	18,256	18,116
Riverside			
Incorporated	0.54	2,046,487	2,057,616
County Total	0.67	2,430,993	2,447,327
Sacramento			
Incorporated	0.83	958,182	966,160
County Total	0.58	1,547,612	1,556,653
San Benito			
Incorporated	1.48	42,902	43,537
County Total	1.66	62,486	63,526
San Bernardino			
Incorporated	0.23	1,854,467	1,858,681
County Total	0.17	2,157,565	2,161,165

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

Attachment C
Annual Percent Change in Population Minus Exclusions*
January 1, 2020 to January 1, 2021

County	<u>Percent Change</u> 2020-21	<u>--- Population Minus Exclusions ---</u> 1-1-20	<u>1-1-21</u>
San Diego			
Incorporated	-0.34	2,801,356	2,791,721
County Total	-0.37	3,282,475	3,270,246
San Francisco			
Incorporated	-1.66	889,552	874,805
County Total	-1.66	889,552	874,805
San Joaquin			
Incorporated	1.68	615,166	625,484
County Total	1.48	768,091	779,434
San Luis Obispo			
Incorporated	-0.34	155,224	154,703
County Total	-1.76	271,921	267,133
San Mateo			
Incorporated	-0.66	704,906	700,233
County Total	-0.75	770,925	765,113
Santa Barbara			
Incorporated	0.09	305,457	305,743
County Total	-1.84	447,142	438,893
Santa Clara			
Incorporated	-0.54	1,858,502	1,848,522
County Total	-0.56	1,945,146	1,934,156
Santa Cruz			
Incorporated	-6.30	138,059	129,368
County Total	-3.41	270,291	261,073
Shasta			
Incorporated	0.27	112,634	112,937
County Total	0.17	177,312	177,614

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Attachment C
Annual Percent Change in Population Minus Exclusions*
January 1, 2020 to January 1, 2021

County	<u>Percent Change</u> 2020-21	<u>--- Population Minus Exclusions ---</u>	
		1-1-20	1-1-21
Sierra			
Incorporated	-0.13	755	754
County Total	-0.34	3,200	3,189
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Siskiyou			
Incorporated	-0.36	20,190	20,118
County Total	-0.13	44,384	44,325
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Solano			
Incorporated	0.44	412,179	414,010
County Total	0.25	431,244	432,324
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Sonoma			
Incorporated	-0.79	352,894	350,097
County Total	-1.46	491,152	484,005
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Stanislaus			
Incorporated	0.25	441,871	442,954
County Total	0.19	554,931	555,968
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Sutter			
Incorporated	0.01	80,133	80,143
County Total	-0.05	101,339	101,289
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Tehama			
Incorporated	-0.04	22,393	22,384
County Total	0.38	64,987	65,237
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Trinity			
Incorporated	0.00	0	0
County Total	0.12	13,481	13,497
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Tulare			
Incorporated	0.88	334,915	337,855
County Total	0.49	479,135	481,487
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Fiscal Year 2021-22

Attachment C
Annual Percent Change in Population Minus Exclusions*
January 1, 2020 to January 1, 2021

County	Percent Change	--- Population Minus Exclusions ---	
	2020-21	1-1-20	1-1-21
Tuolumne			
Incorporated	-1.82	4,777	4,690
County Total	-0.98	51,844	51,334
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Ventura			
Incorporated	-0.46	745,691	742,277
County Total	-0.70	839,815	833,961
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Yolo			
Incorporated	0.35	191,189	191,858
County Total	-1.71	221,276	217,500
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Yuba			
Incorporated	-1.19	16,002	15,811
County Total	1.08	78,041	78,883
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