

STATUS OF REVIEW OF COVELL FISCAL ANALYSIS MODEL
Methodology / Assumptions

Topic	Base Model Assumption	Basis/Rationale	Issue/Alternatives	Model Update Status
Residential Property Appreciation	5%/yr	Outpaces inflation (Inflation +2%)	Regional 15 yr avg = 8.9% Davis Avg Sales Prince = 11% Davis Parcel Apprec. Rate = 9%	Favorable: 7%/ 6%/5% Base Case: 5%/yr Unfav. 5%/4%/3%
Property Resale Rate Modeling	SF – resale every 7 yrs. MF – resale every 20 yrs.	Based on average actual resale rates (regional/local?)	Rather than assuming no resales in years 1-7, model could be updated to reflect 1/7 of homes subject to resale annually Impact is to ‘smooth’ AV/prop Tax increases due to resales	Apply resale factor of 1/7 per year
Initial SF Property Values	3,200-3,699 = 250K 3,700–4,699 = 350K 4,700-5,699 = 450K	Conservative initial estimates based on old data	Recent Davis sales – even for smallest SF homes – well in excess of assumptions Need analysis of impact on Affordable Housing Plan	3,200-3,699 = \$ 350K 3,700–4,699 = \$ 450K 4,700-5,699 = \$ 575K
Sales Tax / Retail Component	Sales Tax Impact estimated via Per Capita Calculation (\$7,583/capita) based on 2003 taxable sales w/ 3% annual inflator	Neighborhood Serving Retail - \$\$ accounted for in Per Capita \$\$	Est. taxable retail sales = \$150/s.f. Total sales tax est. = \$128,000 / yr (in 2004 \$) CC direction – 57K sf (20K ns / 37K community) Equates to Incremental sales tax from outside Davis as well as retaining sales that are now “exported”	Assume 25% of <i>community-serving</i> retail as incremental
Development DJUSD Site	No revenues	Tax Exempt Parcel	Site may be “sold” by DJUSD for development Potential re-zone for residential Estimated density = 80-120 units Impact depends on “mix” and AV Maintenance costs for vacant parcel (?)	No impact on Base Project Scenario

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Dwelling Unit Equivalent Factors	SF – 2.64 MF – 1.69	Actual stats from 2000 Census SF factor reflects owner-occupied homes in Davis	Consistency with DUE Factor used in DIF Model (2.83-SF Detached) (2.33 – SF Attached) Do we have more accurate data on DUE/sf for SF homes (why same factor for small and large homes) How does DJUSD estimate population per DU?	Retain current assumption based on 2000 Census. Model shows little sensitivity to this assumption
Cost of Municipal Services	Street Maint - \$\$/mile Parks Maint - \$\$/acre Other - \$\$/DUE Std Overhead Costs 75% fixed		Tree Maintenance Costs reviewed and updated - application of cost/tree - appropriate tree “count”	Incl. updated tree maintenance costs
Affordable Housing Program	For-Sale Units @ Market Rate via Silent Second Appreciation “cap” consistent with overall appreciation rates	Per Applicant Proposal	Cap on resale appreciation (TBD) Achieve affordability via limit on sales price How is long-term affordability maintained?	
Additional Sensitivity Analysis			Personnel Cost Details DUE Factors Build-Out Schedule Measure P Parks Parcel Tax	Favorable No Change No change No Change Unfavorable Up to 7.4% DUE to 2.84 Build out to 10 yrs No “net” Impact
Property Tax / VLF Swap	Dollar-for-Dollar No “net” fiscal Impact	Per Fiscal Impact Analysis 2004 State Budget N/A for annexation	Project Specific analysis per M. Coleman (League fiscal consultant) Potential Impact Pending legislative “fix”	Need further review