

MEDIA RELEASE

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Lawrence E. Stone, Assessor

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Assessment roll grows less than two-tenths of one percent

Property Assessments Stagnant for 2009-10

On July 1, 2009, County Assessor Larry Stone delivered to the Santa Clara County Finance Agency Director and the Tax Collector the completed annual assessment roll reflecting the assessed value of all property as of the lien (valuation) date, January 1, 2009. The total net assessed value of all real and business property grew by a meager \$542 million, an increase of only 0.18 percent over the prior year. This is the smallest increase since Proposition 13 passed in 1978. "Too put this in perspective, the assessment roll grew by nearly \$20 billion last year. In 2001, the apex of the dot-com boom, the assessment roll grew \$27 billion," said Stone.

While the County's roll growth rate was all but flat, there were significant geographic differences ranging from a high of 6.22 percent in Mountain View and 4.75 percent in Sunnyvale to a low of -9.48 percent in Gilroy and -4.73 percent in the unincorporated portions of the County. "That's a spread of 16 percent. It underscores the geographic variance in property values, and reflects the housing boom and bust," said Stone. The communities with the most newly constructed, entry-level housing suffered the greatest impact. In contrast, more established communities like Palo Alto, Los Altos, Cupertino, Saratoga and Los Gatos had proportionately fewer properties in decline.

During the previous three years, assessed value growth has been steadily declining from 9 percent in 2006, to 8.25 percent in 2007 and 7 percent last year. This year the rate of growth is 0.18 percent, a dramatic decline. "In light of the economic meltdown, schools and cities that rely upon property tax revenue are fortunate to see any growth. Other counties are experiencing double-digit declines. Silicon Valley may end up being one of only a handful of California counties on the positive side," said Stone. "Next year may be worse, since most of the declines this year are attributed to the soft residential market," Stone said. "The steepest decline in commercial property values is ahead of us."

The annual growth in the assessment roll is a combination of a number of factors including changes in ownership, reductions when market values fall below the assessed value, new construction and the two percent California Consumer Price Index limit allowed by Proposition 13. It also includes the values of business personal property, which include machinery, equipment, computers and fixtures.

In normal years, substantial growth in the assessment roll is derived from new construction, or changes in ownership at sales prices higher than existing assessed values. This year, a significant number of changes in ownership are home foreclosures or distressed sales. Consequently, the new purchase price

is often lower than previously established assessed values, resulting in negative rather than positive assessment roll growth. In 2008, the number of foreclosures in Santa Clara County jumped four-fold to 6,200 homes.

The negligible growth in assessed values is especially remarkable considering that Proposition 13 provides an automatic two percent increase in the assessed value for all real property that did not change ownership or complete new construction during the prior calendar year.

The Assessor reported that his appraisal staff proactively reduced the assessed value on 90,000 homes. The average reduction for each residential property is nearly \$170,000 causing a whopping \$17.4 billion reduction in the County's assessment roll. The amount is determined by comparing the factored base year value (typically the assessed value at the time of purchase plus increases of no more than two percent annually) to the market value as of the lien (valuation) date, January 1, 2009. When the real estate market rebounds, the Assessor is required to "restore" the factored base year assessed value to reflect the market at that time.

"During the dot-com bust in which commercial property values declined, a robust residential market buoyed the local economy. This year, both the commercial and residential sectors are in decline, but not at the same rate," said Stone. Comparing 2009-10 to 2008-09, both the number of residential properties and the average reduction in value per property more than doubled. Over the same period the number of commercial and industrial properties receiving assessment relief increased from 538 to 622, an average of \$3.6 million per parcel.

The other major contributor to the total net assessment roll is business personal property and equipment, which recorded a 2.1 percent growth rate.

The county, cities, schools, redevelopment agencies and special districts – all taxing jurisdictions – benefit from increased property tax assessments, and suffer when roll growth is negative. Schools receive 52 percent of all property tax revenue, while on average the 15 cities, 8 RDA's and the County receive only 42 percent of the total property tax revenue.

Below is a more detailed breakout of the assessment roll (based on total local roll).

	2009	2008	Growth
Secured	\$293.9	\$292.5	0.48%
Unsecured	24.6	\$24.1	2.2%
Exemptions	14.6	\$13.2	10.5%
Total Net Roll*	\$303.9	\$303.3	0.18%

* Net of non reimbursable exemptions applied to eligible institutions such as churches, hospitals, museums, etc.

Last week, the Assessor's Office mailed more than 460,000 assessment notification cards, providing property owners the opportunity to review their property's taxable value before the 2009-10 property tax bill is mailed in September. Property owners who receive the notification card and believe that the market value of their property, as of January 1, 2009, is less than the amount shown on the notification card are encouraged to contact the Assessor's Office by the August 15, 2009, deadline. The fastest way to complete a request for a review is through the

Assessor's website at www.sccassessor.org/prop8. "Over the weekend, traffic to our website jumped nearly threefold to 20,000 hits and more than a thousand homeowners requested a reduction online," said Stone. The Assessor asks that requests for review include the owner's opinion of value as of January 1, 2009.

Attached is a breakout of the overall assessment roll and decline in value data by City and Redevelopment Agency compared to the prior year's assessment roll. The data is further divided between secured and unsecured assessed values. The majority of the machinery, equipment, computers and fixtures are unsecured property.

Santa Clara County Assessor's Office
Net Assessed Value by Secured and Unsecured
2009-10 Roll Compared to 2008-09 Roll

City	City/RDA	Roll Type	2009/2010	2008/2009	Change %
Campbell	City	Secured	\$5,483,758,253	\$5,476,461,554	0.13%
		UnSecured	\$197,558,110	\$202,397,335	-2.39%
		Total	\$5,681,316,363	\$5,678,858,889	0.04%
	RDA Only	Secured	\$708,911,952	\$655,528,058	8.14%
		UnSecured	\$80,436,128	\$99,112,025	-18.84%
		Total	\$789,348,080	\$754,640,083	4.60%
Grand Total			\$6,470,664,443	\$6,433,498,972	0.58%
Cupertino	City	Secured	\$12,774,612,544	\$12,467,526,608	2.46%
		UnSecured	\$540,906,866	\$514,543,007	5.12%
		Total	\$13,315,519,410	\$12,982,069,615	2.57%
	RDA Only	Secured	\$204,733,614	\$170,095,451	20.36%
		UnSecured	\$23,736,897	\$19,973,815	18.84%
		Total	\$228,470,511	\$190,069,266	20.20%
			\$13,543,989,921	\$13,172,138,881	2.82%
Gilroy	City	Secured	\$5,859,438,604	\$6,488,553,329	-9.70%
		UnSecured	\$265,395,229	\$278,055,746	-4.55%
		Total	\$6,124,833,833	\$6,766,609,075	-9.48%
Los Altos	City	Secured	\$9,336,760,594	\$8,959,413,028	4.21%
		UnSecured	\$114,641,890	\$104,778,047	9.41%
		Total	\$9,451,402,484	\$9,064,191,075	4.27%
Los Altos Hills	City	Secured	\$4,888,694,340	\$4,751,981,600	2.88%
		UnSecured	\$3,417,417	\$3,396,490	0.62%
		Total	\$4,892,111,757	\$4,755,378,090	2.88%
Los Gatos	City	Secured	\$6,941,066,708	\$6,853,108,038	1.28%
		UnSecured	\$176,351,540	\$160,512,194	9.87%
		Total	\$7,117,418,248	\$7,013,620,232	1.48%
	RDA Only	Secured	\$1,134,135,499	\$1,096,883,582	3.40%
		UnSecured	\$64,934,515	\$55,010,757	18.04%
		Total	\$1,199,070,014	\$1,151,894,339	4.10%
Grand Total			\$8,316,488,262	\$8,165,514,571	1.85%
Milpitas	City	Secured	\$6,256,003,801	\$6,349,519,361	-1.47%
		UnSecured	\$588,761,977	\$673,317,944	-12.56%
		Total	\$6,844,765,778	\$7,022,837,305	-2.54%
	RDA Only	Secured	\$4,330,765,588	\$4,249,695,960	1.91%
		UnSecured	\$848,745,944	\$753,602,495	12.63%
		Total	\$5,179,511,532	\$5,003,298,455	3.52%
Grand Total			\$12,024,277,310	\$12,026,135,760	-0.02%
Monte Sereno	City	Secured	\$1,489,086,529	\$1,449,535,000	2.73%
		UnSecured	\$776,258	\$672,962	15.35%
		Total	\$1,489,862,787	\$1,450,207,962	2.73%
Morgan Hill	City	Secured	\$4,361,801,370	\$4,487,275,648	-2.80%
		UnSecured	\$149,131,593	\$19,037,910	683.34%
		Total	\$4,510,932,963	\$4,506,313,558	0.10%
	RDA Only	Secured	\$1,906,492,788	\$1,991,949,299	-4.29%
		UnSecured	\$139,055,408	\$258,696,756	-46.25%
		Total	\$2,045,548,196	\$2,250,646,055	-9.11%
			\$6,556,481,159	\$6,756,959,613	-2.97%

Santa Clara County Assessor's Office
Net Assessed Value by Secured and Unsecured
2009-10 Roll Compared to 2008-09 Roll

City	City/RDA	Roll Type	2009/2010	2008/2009	Change %
Mountain View	City	Secured	\$12,359,839,836	\$11,876,673,043	4.07%
		UnSecured	\$720,898,619	\$825,106,787	-12.63%
		Total	\$13,080,738,455	\$12,701,779,830	2.98%
	RDA Only	Secured	\$1,959,284,969	\$1,847,422,100	6.06%
		UnSecured	\$1,187,333,730	\$727,266,907	63.26%
		Total	\$3,146,618,699	\$2,574,689,007	22.21%
Grand Total			\$16,227,357,154	\$15,276,468,837	6.22%
Palo Alto	City	Secured	\$20,239,349,432	\$19,380,152,340	4.43%
		UnSecured	\$1,693,351,166	\$1,753,433,149	-3.43%
		Total	\$21,932,700,598	\$21,133,585,489	3.78%
San Jose	City	Secured	\$98,007,120,571	\$100,916,736,490	-2.88%
		UnSecured	\$4,542,136,481	\$4,407,656,185	3.05%
		Total	\$102,549,257,052	\$105,324,392,675	-2.63%
	RDA Only	Secured	\$15,857,813,016	\$15,255,180,555	3.95%
		UnSecured	\$4,115,927,818	\$4,254,001,590	-3.25%
		Total	\$19,973,740,834	\$19,509,182,145	2.38%
Grand Total			\$122,522,997,886	\$124,833,574,820	-1.85%
Santa Clara	City	Secured	\$18,918,190,536	\$18,797,789,473	0.64%
		UnSecured	\$2,676,560,423	\$2,800,525,829	-4.43%
		Total	\$21,594,750,959	\$21,598,315,302	-0.02%
	RDA Only	Secured	\$1,907,589,688	\$1,865,665,068	2.25%
		UnSecured	\$1,168,498,870	\$1,012,268,363	15.43%
		Total	\$3,076,088,558	\$2,877,933,431	6.89%
Grand Total			\$24,670,839,517	\$24,476,248,733	0.80%
Saratoga	City	Secured	\$10,013,048,698	\$9,893,469,336	1.21%
		UnSecured	\$54,542,896	\$40,892,307	33.38%
		Total	\$10,067,591,594	\$9,934,361,643	1.34%
Sunnyvale	City	Secured	\$22,406,341,445	\$21,694,738,721	3.28%
		UnSecured	\$2,535,302,580	\$2,251,497,080	12.61%
		Total	\$24,941,644,025	\$23,946,235,801	4.16%
	RDA Only	Secured	\$892,994,911	\$709,374,506	25.88%
		UnSecured	\$65,025,146	\$69,861,502	-6.92%
		Total	\$958,020,057	\$779,236,008	22.94%
Grand Total			\$25,899,664,082	\$24,725,471,809	4.75%
Unincorporated	City	Secured	\$13,393,912,631	\$14,087,509,345	-4.92%
		UnSecured	\$271,044,008	\$256,374,394	5.72%
		Total	\$13,664,956,639	\$14,343,883,739	-4.73%
	RDA Only	Secured	\$1,895	\$1,859	1.94%
		UnSecured			
		Total	\$1,895	\$1,859	1.94%
Grand Total			\$13,664,958,534	\$14,343,885,598	-4.73%

Roll Type	2009/2010	2008/2009	Change %
Secured	\$281,631,749,812	\$281,772,239,352	-0.05%
UnSecured	\$22,224,471,509	\$21,541,991,576	3.17%
Total	\$303,856,221,321	\$303,314,230,928	0.18%

Santa Clara County Assessor's Office
Property Receiving a Value Reduction by City and RDA
2009-10 Assessment Roll

City	RDA	Roll Close 2009-10		Roll Close 2008-09		% Change	
		Net Delta	Count	Net Delta	Count	Net Delta	Count
Campbell	City	\$271,453,488	1,975	\$50,982,494	1,009	432.4%	95.7%
	RDA	\$11,819,808	90	\$2,693,024	48	338.9%	87.5%
	Total	\$283,273,296	2,065	\$53,675,518	1,057	427.8%	95.4%
Cupertino	City	\$430,230,257	2,410	\$103,973,232	1,415	313.8%	70.3%
	Total	\$430,230,257	2,410	\$103,973,232	1,415	313.8%	70.3%
Gilroy	City	\$863,507,084	3,505	\$226,948,235	1,430	280.5%	145.1%
	Total	\$863,507,084	3,505	\$226,948,235	1,430	280.5%	145.1%
Los Altos	City	\$208,948,163	998	\$49,002,732	186	326.4%	436.6%
	Total	\$208,948,163	998	\$49,002,732	186	326.4%	436.6%
Los Altos Hills	City	\$213,898,256	209	\$128,617,570	93	66.3%	124.7%
	Total	\$213,898,256	209	\$128,617,570	93	66.3%	124.7%
Los Gatos	City	\$301,767,839	1,283	\$69,718,746	482	332.8%	166.2%
	RDA	\$31,711,184	173	\$3,296,494	54	862.0%	220.4%
	Total	\$333,479,023	1,456	\$73,015,240	536	356.7%	171.6%
Milpitas	City	\$475,086,961	2,696	\$160,277,557	1,479	196.4%	82.3%
	RDA	\$470,698,848	1,580	\$306,250,706	831	53.7%	90.1%
	Total	\$945,785,809	4,276	\$466,528,263	2,310	102.7%	85.1%
Monte Sereno	City	\$53,178,066	137	\$15,527,118	33	242.5%	315.2%
	Total	\$53,178,066	137	\$15,527,118	33	242.5%	315.2%
Morgan Hill	City	\$451,922,352	2,185	\$119,298,018	714	278.8%	206.0%
	RDA	\$146,174,859	838	\$52,175,108	375	180.2%	123.5%
	Total	\$598,097,211	3,023	\$171,473,126	1,089	248.8%	177.6%
Mountain View	City	\$272,457,187	2,071	\$152,372,943	204	78.8%	915.2%
	RDA	\$19,086,790	61	\$12,394,019	11	54.0%	454.5%
	Total	\$291,543,977	2,132	\$164,766,962	215	76.9%	891.6%
Palo Alto	City	\$222,487,082	897	\$109,918,611	229	102.4%	291.7%
	Total	\$222,487,082	897	\$109,918,611	229	102.4%	291.7%
San Jose	City	\$9,297,738,224	52,748	\$2,163,236,541	24,613	329.8%	114.3%
	RDA	\$660,127,205	1,428	\$394,537,887	854	67.3%	67.2%
	Total	\$9,957,865,429	54,176	\$2,557,774,428	25,467	289.3%	112.7%
Santa Clara	City	\$862,191,000	6,007	\$198,756,816	2,964	333.8%	102.7%
	RDA	\$25,446,359	9	\$24,093,154	9	5.6%	0.0%
Total	\$887,637,359	6,016	\$222,849,970	2,973	298.3%	102.4%	
Saratoga	City	\$550,125,374	1,481	\$161,187,631	605	241.3%	144.8%
	Total	\$550,125,374	1,481	\$161,187,631	605	241.3%	144.8%
Sunnyvale	City	\$832,645,479	4,638	\$387,366,040	2,862	115.0%	62.1%
	RDA	\$4,982,914	27	\$2,050,206	14	143.0%	92.9%
	Total	\$837,628,393	4,665	\$389,416,246	2,876	115.1%	62.2%
Unincorporated	City	\$737,183,081	3,390	\$155,115,797	1,352	375.2%	150.7%
	Total	\$737,183,081	3,390	\$155,115,797	1,352	375.2%	150.7%
Report Total		\$17,414,867,860	90,836	\$5,049,790,679	41,866	244.9%	117.0%

Santa Clara County Assessor's Office
Property Receiving Value Reduction by Property Type
2009-10 Assessment Roll

Property Type	Roll Close 2009-10			Roll Close 2008-09		
	Net Delta	Count	Avg/Parcel	Net Delta	Count	Avg/Parcel
2-4 FAMILY RESIDENTIAL	\$42,012,031	175	\$240,069	\$4,189,409	37	\$113,227
5 OR MORE RESIDENTIAL	\$97,229,155	58	\$1,676,365	\$28,326,196	34	\$833,123
AGRICULTURAL/EXTRACTION	\$15,885,373	22	\$722,062	\$15,020,856	18	\$834,492
CONDO	\$3,904,242,076	29,892	\$130,612	\$915,777,706	16,182	\$56,592
DEPT STORES & MARKETS	\$6,945,527	1	\$6,945,527	\$6,809,341	1	\$6,809,341
ELECTRONICS & ELEC	\$190,197,547	11	\$17,290,686	\$179,162,161	12	\$14,930,180
INDUSTRIAL NON MFG	\$340,334,186	128	\$2,658,861	\$345,505,671	129	\$2,678,339
OFFICE USE	\$329,132,619	97	\$3,393,120	\$280,050,529	81	\$3,457,414
OTHER MFG AND INFRASTRUCT	\$116,326,257	13	\$8,948,174	\$109,591,498	12	\$9,132,625
OTHER URBAN	\$312,300,837	122	\$2,559,843	\$273,445,761	115	\$2,377,789
PUBLIC & QUASI PUBLIC				\$771,051	1	
R & D OF MFG FIRMS	\$578,614,622	95	\$6,090,680	\$536,949,582	93	\$5,773,651
SINGLE FAMILY RESIDENTIAL	\$11,260,161,697	60,147	\$187,211	\$2,307,050,757	25,109	\$91,881
SPECIALTY RETAIL & HOTELS	\$221,485,933	75	\$2,953,146	\$47,140,161	42	\$1,122,385
Report Total	\$17,414,867,860	90,836	\$191,718	\$5,049,790,679	41,866	\$120,618

Summary	Net Delta	Count	Avg/Parcel	Net Delta	Count	Avg/Parcel
Residential (SFR, 2-4, Condo)	\$15,206,415,804	90,214	\$168,559	\$3,227,017,872	41,328	\$78,083
All Other	\$2,208,452,056	622	\$3,550,566	\$1,822,772,807	538	\$3,388,054
Total	\$17,414,867,860	90,836	\$191,718	\$5,049,790,679	41,866	\$120,618

Net Delta	Count	Avg/Parcel
371.2%	118.3%	115.9%
21.2%	15.6%	4.8%
244.9%	117.0%	58.9%