



THE CITY OF YUBA CITY



2009/10 PROPERTY TAX SUMMARY

The City of Yuba City experienced a net taxable value decrease of -3.2% for the 2009/10 tax roll, which was slightly more than the decrease experienced countywide at -1.9%. The assessed value decrease between 2008/09 and 2009/10 was \$-154 million. The growth attributed to the Assessor granted 2% CPI adjustment was \$86.5 million, which was more than offset by reductions caused by properties with declining values.

The largest assessed value increase was reported on a commercial parcel owned by Twin Cities Hospital Properties LP. The parcel, which has undergone significant new development activity, was reappraised adding over \$14.2 million to the roll. New development of an office building on Plumas Boulevard (Plumas Street Medical Center LLC) caused the value to increase by over \$2.1 million. The sale of a commercial property to Main Street Ventures triggered a reassessment that added \$2.2 million in value.

Parcel subdivision and new construction activity contributed to growth in assessed values this year. 21 parcels were dropped from the roll and 102 were added, resulting in a net assessed value gain of over \$45 million.

California home sales have increased year-over-year for 13 consecutive months; driven by increased affordability, low interest rates and strong investor demand. Foreclosure auctions and entry level homes continue to account for a significant portion of real estate transactions, however, recent market data shows that "jumbo" financing is on the rise in selected markets. The median sale price of a single family home in Yuba City from January through August 2009 was \$165,000. This represents a \$34,250 (-17.2%) decrease in median sale price from 2008.

Year	SFR Sales	Median Price	% Change	2009/10 Tax Shift Summary	
2003	537	\$210,000		ERAF I & II	\$-1,697,604
2004	819	\$250,000	19.05%	RDA SERAF	\$-1,347,992
2005	1,079	\$299,000	19.60%	VLFAA (est.)	\$4,577,397
2006	673	\$295,000	-1.34%	Prop 1A Borrowing	\$-1,139,424
2007	490	\$268,000	-9.15%	Triple Flip	\$2,137,676
2008	788	\$199,250	-25.65%	Triple Flip True up	\$-268,987
2009	543	\$165,000	-17.19%		

Top 10 Property Taxpayers

Owner	Revenue	% of Total	Use Type
1. GREENLEAF UNIT TWO ASSOCIATES	\$359,475.30	3.45%	Unsecured
2. YUBA CITY ENERGY CENTER LLC	\$338,754.36	3.25%	Unsecured
3. STEADFAST YUBA CITY I LLC	\$280,344.28	2.69%	Commercial
4. TWIN CITIES HOSPITAL PROPERTIES LP	\$208,320.12	2.00%	Commercial
5. COMCAST OF NORTHERN CALIFORNIA	\$178,630.47	1.71%	Unsecured
6. SUNSWEET GROWERS	\$149,282.88	1.43%	Industrial
7. GEWEKE-YUBA PROPERTIES LP	\$137,418.04	1.32%	Commercial
8. TARGET CORPORATION	\$80,734.22	0.77%	Commercial
9. KOHLS DEPARTMENT STORES CORPORATION	\$78,641.27	0.75%	Commercial
10. MARIANI YUBA CITY LLC	\$64,142.83	0.62%	Commercial
Top Ten Total	\$1,875,743.77	18.00%	

Real Estate Trends

Home Sales

California housing inventories have declined significantly over the past 12 months, with sales activity driven higher by increased affordability, lower mortgage rates and the increased availability of financing. Median home prices have begun to stabilize in many parts of the state and have increased slightly in counties with large urban centers. However, the impact of commercial reassessments, Prop 8 adjustments and foreclosures will continue to have a negative impact on municipal property tax revenues for years to come.

All Homes	Units Sold July-08	Units Sold July-09	% Change	Median Price July-08	Median Price July-09	% Change
Butte County	200	227	13.50%	\$248,500	\$200,000	-19.52%
El Dorado County	208	237	13.94%	\$390,000	\$330,000	-15.38%
Merced County	467	491	5.14%	\$155,000	\$110,000	-29.03%
Nevada County	125	151	20.80%	\$372,500	\$320,000	-14.09%
Placer County	656	621	-5.34%	\$348,750	\$296,000	-15.13%
Sacramento County	2,658	2,317	-12.83%	\$210,000	\$180,000	-14.29%
Sutter County	112	110	-1.79%	\$203,000	\$160,000	-21.18%
Yolo County	230	240	4.35%	\$293,000	\$281,500	-3.92%
Yuba County	129	113	-12.40%	\$183,500	\$155,000	-15.53%

Prop 8 Reduction Estimates

We are through the majority of the residential Prop 8 reductions and it appears that housing prices have begun to stabilize in many parts of the state. However, we anticipate that county assessors' will be granting additional Prop 8 reductions for the 2010-11 fiscal year. The table below provides a summary for selected counties of the Prop 8 reductions that were granted for the 2009-10 roll. Its estimated that state-wide, more than \$250 billion in assessed value was removed tax rolls due to Prop 8 reductions.

County	Reduced	2008/09 Secured Value	Value Reduction	% Decline
Butte County	10,017	\$17,826,947,773	\$640,485,887	3.59%
El Dorado County	22,034	\$27,311,103,184	\$2,240,033,833	8.20%
Merced County	42,000	\$18,522,016,530	\$2,940,000,000	15.87%
Nevada County	3,168	\$16,177,782,664	\$296,057,815	1.83%
Placer County	62,000	\$57,051,244,889	\$3,497,464,282	6.13%
Sacramento County	172,000	\$130,564,909,661	\$9,000,000,000	6.89%
Sutter County	6,365	\$7,831,163,497	\$286,819,890	3.66%
Yolo County	13,000	\$19,439,126,540	\$900,000,000	4.63%
Yuba County	6,392	\$4,944,281,527	\$423,418,887	8.56%

Foreclosure Update

The number of California foreclosures fell by 1% in the second quarter (April through June) to 138,469, compared to the 1st quarter of 2009. The average loan balance on these homes was \$425,134, while the market value was \$236,739.

According to San Diego-based MDA DataQuick, the state's most affordable sub-markets, which represent 25 percent of the state's housing stock, accounted for more than 52.0 percent of all default activity in 2008. In first quarter 2009 it fell to 47.5 percent, and last quarter it dipped to 45.0 percent.

The Bay Area counties of Santa Cruz, San Francisco, Marin and San Mateo were among the least underwater. Inland Counties including Merced, San Joaquin, Stanislaus, Solano, Sacramento, San Bernardino and Riverside were among the most underwater.