Thomas Fire & Debris Flows

ESTIMATED FINANCIAL IMPACT

UCSB Economic Forecast Project
March 28, 2018

Betsy Schaffer CPA, Assistant Auditor-Controller
Lots of Headlines

Property Values Plummet Over $1.3 Billion in Wake of Montecito Debris Flows, Thomas Fire  
Noozhawk, March 11, 2018

Report: up to $204 million in residential mudslide damage  
Santa Barbara News-Press, March 8, 2018

Santa Barbara hotel tax rakes in $1.2 million due to fire, flood evacuees  
KSBY, February 27, 2018

City Bed Tax Rebounds  
Increase Attributed to Thomas Fire and Debris Flow Stays  
Santa Barbara Independent, March 6, 2018

County Estimates $46 Million Cost for Thomas Fire, Montecito Debris Flow Response, Repairs  
Noozhawk, February 27, 2018

Why you should plan a trip to Santa Barbara right now  
The Week Magazine, February 24, 2018
Property Tax Losses

Property Values Plummet Over $1.3 Billion in Wake of Montecito Debris Flows, Thomas Fire

Noozhawk, March 11, 2018

Now at $1.2 Billion, but not included in our revenue estimates yet

• COUNTYWIDE estimated property tax loss:
  – Current FY 2017-18 = $6.9 Million (via supplemental bills)
  – Next FY 2018-19 = $13.4 Million (via secured bills)
Transient Occupancy Tax (TOT)

City Bed Tax Rebounds
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• UNINCORPORATED TOT up also...

Revenue Trend by Line Item Account
3131 -- Transient Occupancy Tax

Increase of $583K over prior year due to:
• The TOT rate increased from 10% to 12%, eff 1/1/2017

But, factoring out the 2% rate increase, TOT is showing a decrease from prior year...
Sales Tax?

• Timing delay ---

• For FY 2017-18, General Fund (GF) Sales Tax was budgeted at $10.6M, representing 3.5% of Taxes revenue in the GF

Maybe some onetime decreases but hard to measure at this time. But depending on recovery, could see increases as people rebuild and replace lost items.
## Estimated County Government Cost

### County Estimates $46 Million Cost for Thomas Fire, Montecito Debris Flow Response, Repairs

*Noozhawk, February 27, 2018*

- **As of March 2, 2018**

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<th>&quot;Reimbursable&quot;</th>
<th>Not Reimbursable</th>
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<tr>
<td>General Fund</td>
<td>$8.2 M</td>
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<tr>
<td>Special Revenue Funds</td>
<td>$34.2M</td>
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<td><strong>Total</strong></td>
<td><strong>$42.4M</strong></td>
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<table>
<thead>
<tr>
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<tr>
<td>County Share of Cost (6.25%)</td>
<td>$2.7M</td>
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<tr>
<td>FEMA/CalOES Share (93.75%)</td>
<td>$39.7M</td>
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Personal Property Loss

• Personal property losses are mostly covered by property insurance, and maybe some FEMA loans/grants

Report: up to $204 million in residential mudslide damage

Santa Barbara News-Press, March 8, 2018

Usually these are pretty small amounts
What’s the ESTIMATED Total?

- Property tax: $33.7M = $6.9M + $26.8M ($13.4M x 2 Yrs)
- TOT: ?
- Sales Tax: ?
- County Damage Costs: $55.4M ($12.3M County share)
- Personal Property Loss: $204M

= $293.1 Million (total)
= $89.1 M (County total)
= $46 M (County unreimbursed total)

This is not just County but all local governments
Other Slides
Impact to Schools

• What type of school funding?

  – Cold Spring & Montecito Union are “Basic Aid” schools * - Basic Aid schools do not receive taxes from “supplemental” roll activity as they already receive enough from the annual roll. Any “supplemental” changes during the year are rolled into the following year’s assessed property values.

  – Whereas NON Basic Aid schools do not receive enough on the annual roll, and therefore get revenue from the “supplemental” mid year activity which decreases the amount the State would otherwise have to backfill.

  – * When/if property taxes become too low to support per student costs based on a “local funding calculator,” a Basic Aid School will revert to a NON Basic Aid status. But, the difference per student in a Basic Aid school vs a NON Basic Aid school can be significant.
# Best Estimate* Impact to Schools

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<td>Montecito Union</td>
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* As of today, 3/28/18
County Permitting

For information:

- [http://sbc county planning. org/misc/montecito.cfm](http://sbc county planning. org/misc/montecito.cfm)