

# 2045 General Plan Existing Conditions Report

## **Chapter 3: Economic, Market and Fiscal Conditions**

# Economic, Market and Fiscal Findings

## FISCAL SUSTAINABILITY

- 1. In planning for fiscal sustainability as part of the General Plan Update, the City can look for ways to increase fiscal revenues, primarily through the type and amount of land use, and/or identify cost-savings, through geographic considerations or by altering service standards and facility needs. However, there are many factors related to fiscal sustainability that are largely outside the purview of the General Plan or even City control because they require voter approval or are set by State law.**

On the revenue side, the General Plan can improve fiscal outcomes by focusing on land use development and/or redevelopment opportunities that improve property tax revenues, sales tax capture, transient occupancy tax (TOT), or other tax revenues. The City's residents can also vote to introduce new special taxes for general purposes or specific uses (such as Measure D-20), but this outcome falls outside the General Plan Update process. New construction, in general, contributes to increased property tax revenue. In fact, while the median sale price of a single family home increased significantly over the past decade in Atascadero for all homes sold, there is a market premium for properties built most recently. Increased property turn-over from market transactions can also increase assessed values but the City has limited ability to affect this outcome. While the General Plan Update can consider opportunities to grow the City's assessed value, the City faces strong limitations in changing the property tax rate (or property tax revenue) since State law regulates property taxes.

The General Plan Update can alter the trajectory of General Fund expenditures primarily by prioritizing land for new development that can be efficiently served by police and fire through designating new service standards or facility needs, which in turn affect staffing and maintenance requirements, investing in public facilities now to minimize repair and maintenance costs later, and improving cost-recovery practices. For example, while identification of new park land or extensive improvements to existing parkland could affect Public Works maintenance and utility costs, residential development outside the urban core could result in higher public safety costs due to longer response times, wear and tear on vehicles, and opportunity costs while public safety staff are responding to a call. At the same time, representatives from Police and Fire indicate that calls for service are primarily related to population density. Denser development concentrates more people, who generate more calls for service than lower density development. Other departments, such as Administrative Services and Finance, are not as likely to be directly affected.

## GENERAL FUND REVENUES

- 1. In nominal dollars, and excluding Measure D-20, the City's General Fund revenues have been relatively stable during the past 15 years. However, in constant 2022 dollars, General Fund revenues decreased by 10.0 percent between FY 2007/08 and FY2022/23, limiting the City's ability to expand service levels or invest in infrastructure. Voter-approved sales tax Measure D-20 is helping to restore General Fund revenues.**

In nominal terms, total General Fund revenues (excluding Measure D-20) increased 2.0 percent per year, or 34.2 percent since FY 2007/08, slightly below inflation during the same period.<sup>1</sup> On a per capita basis, General Fund revenues decreased in constant dollar terms during the past 15 years.<sup>2</sup> Measure D-20 was a voter-approved sales tax increase that is expected to generate more than \$5 million in FY 2022/23, bringing the per capita revenues to FY2007/08 levels in constant dollar terms. Measure D-20 is a critical source of revenue, and it is allowing Police and Fire to begin restoring service levels that have been inadequate for some time. In the case of Atascadero, the lack of *substantive* growth in General Fund revenues (i.e., growth that exceeds inflation) will make it difficult for the City to improve public service levels going forward unless new funding sources are identified (or existing ones expanded or cost-recovery improved). Even maintaining existing service levels can be difficult, particularly for cost items that increase faster than inflation (e.g., salaries and pension obligations). This is particularly true for the City's Police and Fire departments.

**2. The City's key General Fund revenue sources are property tax, sales tax, and transient occupancy tax (TOT). Of these, TOT is disproportionately affected by non-resident activity, underscoring the importance of commercial and visitor activity to the City's fiscal health.**

Together, property tax, sales tax (including Measure D-20) and TOT represent about 75 percent of the adopted FY 2022/23 General Fund revenues. Of the property tax revenue, the majority is attributable to residential development (based on land use patterns), while close to 100 percent of the TOT can be attributed to business and visitor activity.<sup>3</sup> Visitor activity in the City of Atascadero contributes to the City's vibrancy and generates overnight hotel stays and restaurant and retail spending that are critical to the City's fiscal health. Reported hotel data indicate high occupancy rates and strong upward pressure on achievable room rates and suggest opportunities in the market for additional hotel rooms. These trends have largely recovered from the COVID-19 pandemic and associated travel precautions.

## JOBS TO HOUSING BALANCE

**1. While there is not an optimal jobs/housing balance ratio to strive for, the City's existing jobs to housing *imbalance* indicates there is potential demand to increase nonresidential, employment-generating uses in the City, which, on a per service population basis, could lead to higher net positive annual General Fund Revenues.**

While the City of Atascadero has an active and stable resident community, the City's workforce is comprised primarily of commuters, who fill 68.0 percent of the jobs in the City. Additionally, 79.0 percent of employed Atascadero residents commute outside

---

<sup>1</sup> The Consumer Price Index (CPI) indicates inflation averaged approximately 3.3 percent per year between FY 2007/08 and FY 2022/23.

<sup>2</sup> Per capita revenues provide an indication of the extent to which revenue increases are attributable to normal inflation trends or population growth versus changes in services or regulatory factors.

<sup>3</sup> A small percentage of TOT revenue may be due to resident activity such as staycations or local tourism.

the City for work, and this share appears to be increasing. These daily commute patterns suggest that the City has potential to strategically add employers and thereby decrease (or at least offset) the share of residents that must commute outside the City for work. While this jobs to housing imbalance does not necessarily lead to fiscal problems for the City, an increase in employment-supporting uses would generally lead to higher annual General Fund revenues through increased property taxes, sales taxes, and business license revenue relative to the cost of providing public services to non-resident employees. A reconsideration of how the business license tax is charged could also improve revenues, but that is outside the scope of the General Plan update.

## CAPITAL IMPROVEMENTS

- 1. An important component of fiscal sustainability, beyond being able to cover General Fund costs each year, is the City's ability to appropriately plan for and deliver needed capital improvements.**

The City currently relies on regional and state grants to fund capital improvements. The City does have development impact fees to mitigate the impacts of new development, but the fees have not been updated in some time and need to be recalibrated to address the infrastructure needs associated with this General Fund update and current market conditions. Both Police and Fire indicated the need for the planned public safety facility that would house both departments and allow for comprehensive communication system upgrades. At the same time, the fire department envisions that at some point during buildout of the General Plan, a third fire station in the 101/Del Rio region will be needed to ensure appropriate response times throughout the City. While capital projects are often expensive (SLO County just approved a new public safety facility at a cost of approximately \$40 million) and require consideration to the cost of additional staff, the one-time expense often helps improve efficiencies and reduce other operations and maintenance expenses. City staff also reports deficient wastewater infrastructure, and updates and expansions will be needed to accommodate anticipated population growth. Funding for these improvements is expected to come, in part, from the Sewer Enterprise Fund.

## 3.1 Introduction

This chapter provides an overview of key economic, market, and fiscal issues of particular relevance to the General Plan Update process. It has been prepared by Economic & Planning Systems, Inc. (EPS) in support of the City of Atascadero's General Plan Update process. This chapter includes two key sections: the "Overview of Economic and Market Conditions" section, which reviews and presents key economic and market indicators in the City, and the "Fiscal Trends and Land Use Implications" section, which delves into the fiscal conditions, trends and implications of land use in the City.

The primary purpose of the analysis in the context of the General Plan Update is to ensure that the goals, policies, and land use alternatives of the updated General Plan are realistic and achievable over the long-term. Specifically, with respect to fiscal sustainability, the report seeks to answer:

*How will various General Plan land use alternatives or policies affect the long-term fiscal health of the City and its ability to effectively provide adequate public services and infrastructure?*

This chapter is organized into the following sections:

**Section 3.1:** Introduction

**Section 3.2:** Overview of Economic and Market Conditions

**Section 3.3:** Fiscal Trends and Land Use Implications

**Section 3.4:** Appendix A: General Fund Revenue Budget (Nominal Dollars)

**Section 3.5:** Sources

## 3.2 Overview of Economic and Market Conditions

### INTRODUCTION

This section provides a broad overview of key socio-economic and market conditions relevant to the Atascadero General Plan Update. It is designed to provide context and support a discussion of critical long-term planning and policy issues. The information is presented in a series of tables and figures each supported with a brief description of the key issues and implications.

Key economic and market indicators are presented below and organized by category:

- Population and Household Trends
- Housing Trends
- Employment and Commute Trends
- Commercial Market Conditions

### POPULATION AND HOUSEHOLD TRENDS

Atascadero is home to over 30,000 residents, representing about 11 percent of the County's population.<sup>4</sup> The City has approximately 11,700 households with an average of 2.48 persons per household, shown in **Figure 3-1**. During the past decade, the number of households increased slightly faster than population growth, resulting in a slightly decreased ratio of people per household. These patterns generally reflect the trend exhibited in the County overall, although households in Atascadero tend to be somewhat larger than households in the County, shown in **Table 3-1**. Notably, Atascadero's population growth of 10.2 percent during this time far exceeded that of the County which grew by only 6.4 percent. Atascadero's relatively high population growth rate indicates an increasing demand for the City's unique position as a family-oriented community within the regional economy. This trend is further demonstrated by the increase in the number of housing units in the City. As shown in **Figure 3-2**, the inventory of single family units is approaching the high point observed in 2010. Meanwhile, the count of multifamily units has increased steadily since 2007.

---

<sup>4</sup> It is important to note that Atascadero houses a State psychiatric hospital where patients are remanded for treatment by county superior courts or the Department of Corrections and Rehabilitation (CDCR). This population of residents accounts for about 1,300 people a year and has remained relatively stable over time.

Figure 3-1: City of Atascadero Population and Household Trends

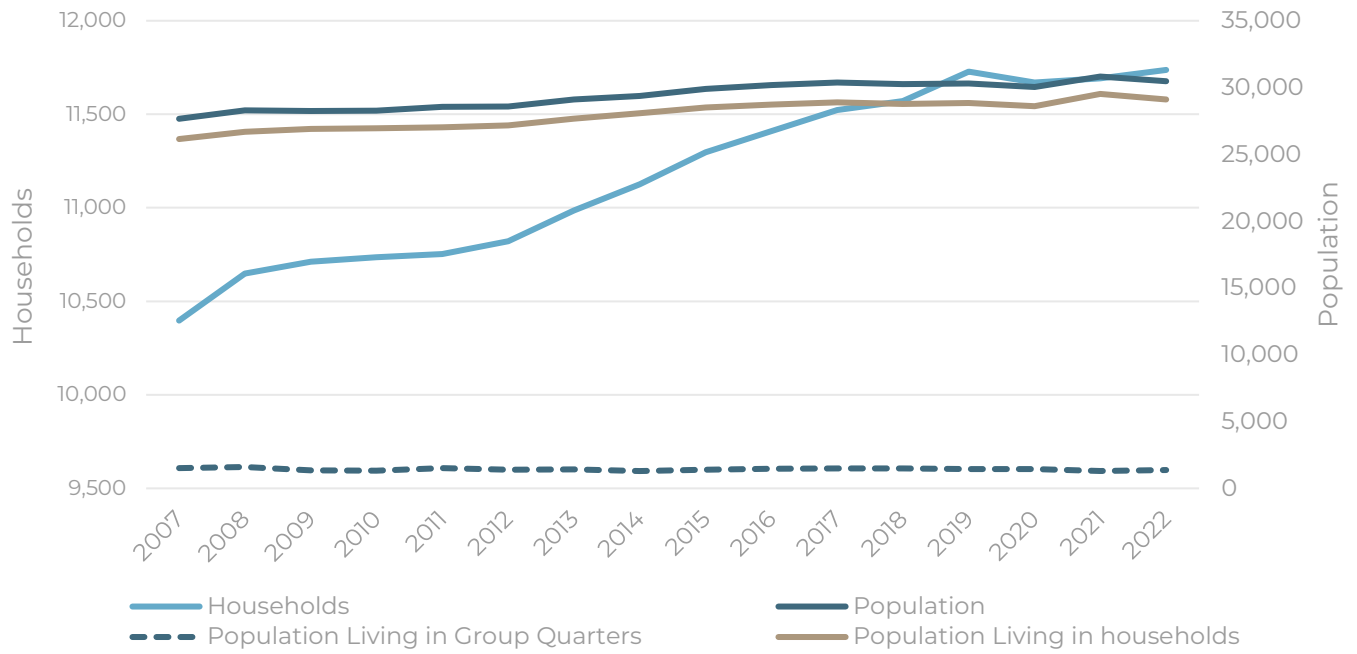
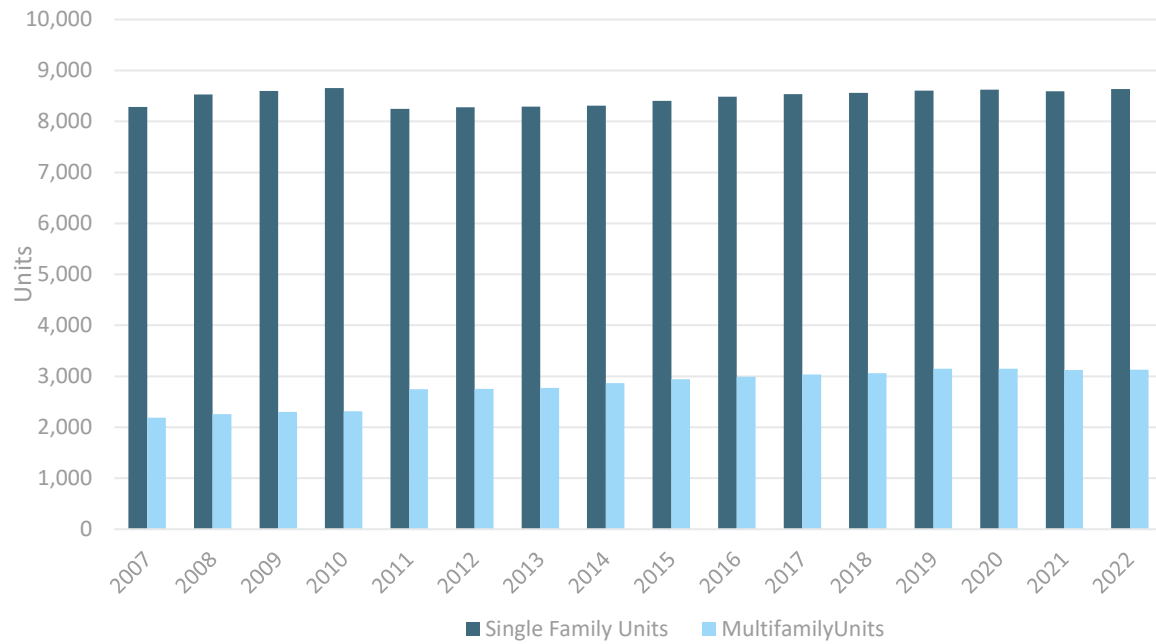


Figure 3-2: City of Atascadero Housing Unit Trends



Source(s): California Department of Finance

**Table 3-1: City and County Household Sizes**

Geography	2012	2022
City of Atascadero	2.51	2.48
County of SLO	2.47	2.43

Source(s): California Department of Finance

As shown in **Table 3-2**, about 22 percent of Atascadero’s population is under 18, compared to around 18 percent in the County. In both the City and the County the share of residents 55 and older has increased significantly relative to ten years ago, from approximately 28 percent to 33 percent in Atascadero and 29 percent to 34 percent in the County.

**Table 3-2: City and County Resident Ages**

Item	Atascadero		County of SLO	
	2012	2021	2012	2021
Median Age	41.9	40	39.3	39.7
Under 18	21.1%	22.1%	18.7%	18.1%
18-24	9.2%	8.6%	15.1%	14.9%
25-34	12.0%	12.0%	11.7%	11.4%
35-54	29.7%	24.6%	25.4%	22.1%
55-64	14.4%	15.7%	13.7%	13.5%
65-85	11.5%	15.7%	12.9%	17.9%
Over 85	2.1%	1.3%	2.5%	2.1%

Source(s): United States Census Bureau, 2021 5-Year Estimates

## HOUSING TRENDS

### Housing Type and Tenure

The majority of Atascadero residents live in single family detached homes, as shown in **Figure 3-3**, as multifamily units comprise only 20 percent of the housing in Atascadero. The City’s housing distribution is representative of the broader distribution in San Luis Obispo County. Single family homes, attached and detached, account for 74 percent of housing in the County compared to 76 percent of housing in Atascadero. As shown in **Figure 3-3**, these ratios have stayed nearly constant in both geographies since 2015, indicating stable residential markets.



Figure 3-3: City of Atascadero Housing Types (2015 and 2020)

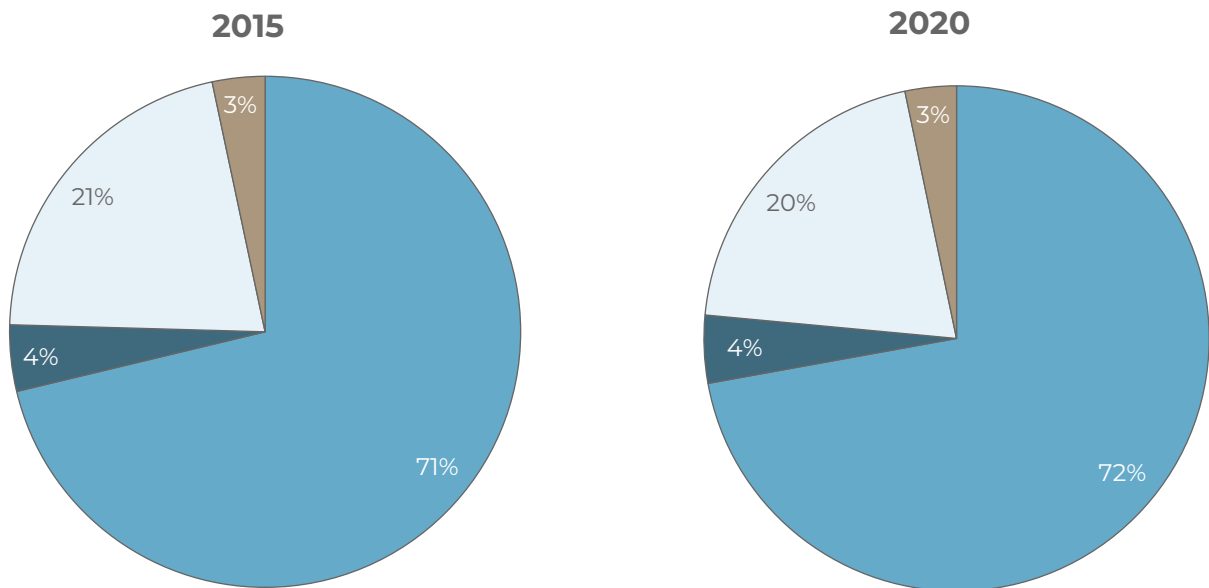
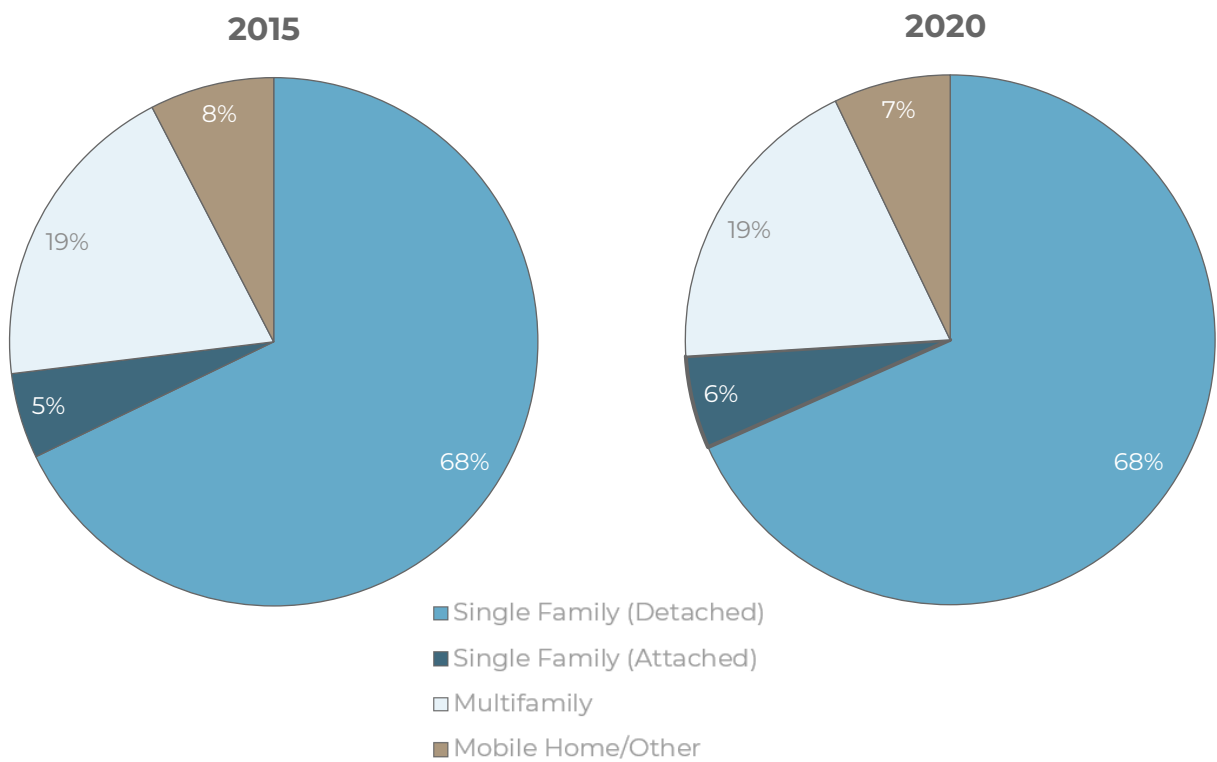


Figure 3-4: County of SLO Housing Types (2015 and 2020)



Source(s): ACS, 5 Year Estimates, accessed November 2022.

**Tables 3-3** through **3-6** show the housing tenure by property type for the City of Atascadero and the County in 2015 and 2020. The data in these tables indicate that Atascadero has a relatively high ownership rate for its primary residential type, single family detached homes. The ownership rate of 81 percent for single family detached homes in Atascadero exceeds the County rate by 4 percentage points. Between 2015 and 2020, the share of renter-occupied detached single family homes in Atascadero decreased from 28 percent to 19 percent. It is important to note that not all of these homes are occupied by long-term renters. Some of this inventory is being used for short-term rentals. In 2023, there are 107 “vacation rental single room or house” lodging licenses issued. This license is required to operate short term vacation rentals. However, the ownership rate for all other residential types (e.g., condominiums or attached townhomes) is lower in Atascadero compared to the County. This gap has widened over time; while ownership rates of single family detached homes increased in Atascadero by 7 percentage points between 2015 and 2022, ownership in all other housing types decreased. This trend is not consistent with the County, where the share of owner-occupied units increased for every housing type between 2015 and 2020.

**Table 3-3: City of Atascadero Housing Tenure 2015**

2015					
Housing Tenure	Single Family (Detached)	Single Family (Attached)	Multifamily	Mobile Home/Other	Total
Owner	89%	4%	2%	5%	100%
Rental	45%	5%	49%	1%	100%
<b>Share Owner Occupied</b>	<b>74%</b>	<b>55%</b>	<b>7%</b>	<b>85%</b>	<b>60%</b>

Source(s): U.S. Census Bureau, 2010-2015 American Community Survey 5-Year Estimates; Economic & Planning Systems, Inc.

**Table 3-4: City of Atascadero Housing Tenure 2020**

2020					
Housing Tenure	Single Family (Detached)	Single Family (Attached)	Multifamily	Mobile Home/Other	Total
Owner	91%	3%	1%	4%	100%
Rental	39%	6%	53%	2%	100%
<b>Share Owner Occupied</b>	<b>81%</b>	<b>49%</b>	<b>4%</b>	<b>74%</b>	<b>64%</b>

Source(s): U.S. Census Bureau, 2015-2020 American Community Survey 5-Year Estimates; Economic & Planning Systems, Inc.

Table 3-5: County of San Luis Obispo Housing Tenure 2015

2015					
Housing Tenure	Single Family (Detached)	Single Family (Attached)	Multifamily	Mobile Home/Other	Total
Owner	85%	4%	2%	9%	59,714
Rental	45%	7%	43%	5%	43,862
<b>Share Owner Occupied</b>	<b>72%</b>	<b>47%</b>	<b>6%</b>	<b>70%</b>	<b>58%</b>

Source(s): U.S. Census Bureau, 2010-2015 American Community Survey 5-Year Estimates; Economic & Planning Systems, Inc.

Table 3-6: County of San Luis Obispo Housing Tenure 2020

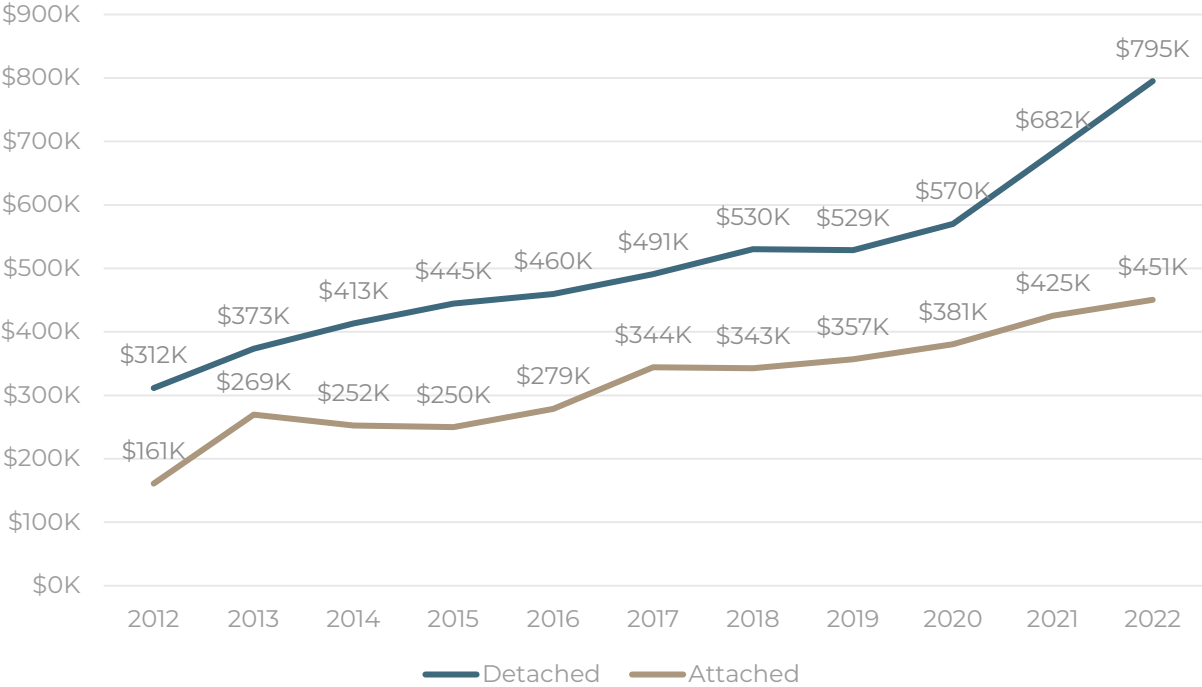
2020					
Housing Tenure	Single Family (Detached)	Single Family (Attached)	Multifamily	Mobile Home/Other	Total
Owner	84%	5%	2%	9%	100%
Rental	42%	7%	47%	5%	100%
<b>Share Owner Occupied</b>	<b>77%</b>	<b>53%</b>	<b>8%</b>	<b>76%</b>	<b>63%</b>

Source(s): U.S. Census Bureau, 2015-2020 American Community Survey 5-Year Estimates; Economic & Planning Systems, Inc.

### Home Values

Home values in Atascadero increased significantly between 2012 and 2022. As shown in **Figure 3-5**, the median sales price for single family homes, condos, and townhomes increased for each product type over the last decade. Notably, the median sales price of single family homes increased by 40 percent from 2020 to 2022. The increase in single family inventory, ownership trends, and price indicate strong demand for single family homes in the City. In addition to the data presented below which comes from Redfin, the City of Atascadero also tracks home transaction and sales data and reports a median sale price of \$565,000 for all single family homes in 2020, very similar to the data reported by Redfin.

**Figure 3-5: City of Atascadero Median Home Sale Prices\* (2012-2022)**



\*Prices represent the annual median of monthly median sale prices. Source(s): Redfin, accessed November 2022.

### Recently Constructed, Recently Sold

While the median sales price increased significantly over the past decade in Atascadero for all homes, the properties built most recently have the highest sale and resale values. As shown in **Figure 3-5**, \$795,000 is the median sales price of all single family homes sold in 2022 (year-to-date). Looking specifically at homes constructed between 2020 and 2022, however, the median sales value increases to over \$1.0 million, as shown in **Table 3-7**. This indicates that new residential construction is commanding higher prices that will result in higher assessed valuation, thereby, increasing property taxes. There are multiple factors contributing to this trend in higher valuation of new construction: higher demand for modern features and amenities and increases in size of new construction. While the average size of a single family home sold in 2022 is 1,920 square feet, the average size of a home sold

that was built since 2020 is 2,415 square feet. Increases in prices likely reflect a combination of increased size and higher demand for new construction.

While much of the City’s new construction has reflected larger, more expensive housing than the existing inventory, there has also been new development to accommodate more affordable home ownership opportunities. Not included in the data described in **Table 3-7** is a recent mixed-use development of affordable single family “cottage homes” in downtown Atascadero.<sup>5</sup> The Grand Oaks Paseo Community was developed specifically to be affordable by design with smaller square footages than typical single family homes and prices starting at \$200,000. In 2022, nine of these homes sold for an average of \$472,900 and an average square footage of 865 square feet. While these homes increase accessibility to home ownership, the prices and sizes do not reflect typical trends in Atascadero’s single family market and therefore have been excluded from this data set. On average, new single family construction has significantly higher sale value than older stock in Atascadero.

**Table 3-7: City of Atascadero Recently Built Single Family Home Sale Prices**

Year Built	Median Sale Price	Average Sale Price
2020-2022	\$1,100,000	\$1,043,214

Source(s): Redfin, accessed December 2022. Data represents sales to date from January to December 2022.

## Rents

There are more than 3,100 units in multifamily structures in the City, according to Department of Finance data, with reported rents ranging from \$900 per month for a studio to \$2,800 for a three-bedroom.<sup>6</sup> The average rent per apartment unit in Atascadero is approximately \$1,900, 4 percent higher than in the County. Additionally, units in Atascadero tend to be larger than those in the County overall, as indicated by a higher average unit size, shown in **Table 3-8**. The larger and more expensive multifamily stock in Atascadero reflects the City’s high demand for housing that accommodates families.

**Table 3-8: City of Atascadero Multifamily Rents (2022)**

Geography	Average Effective Rent per Unit	Vacancy Rate	Average Unit Size (sq. ft.)
City of Atascadero	\$1,935	9.40%	889
SLO County	\$1,864	4.60%	813

Source(s): CoStar, accessed December 2022. Rent reflects the average for each CoStar market.

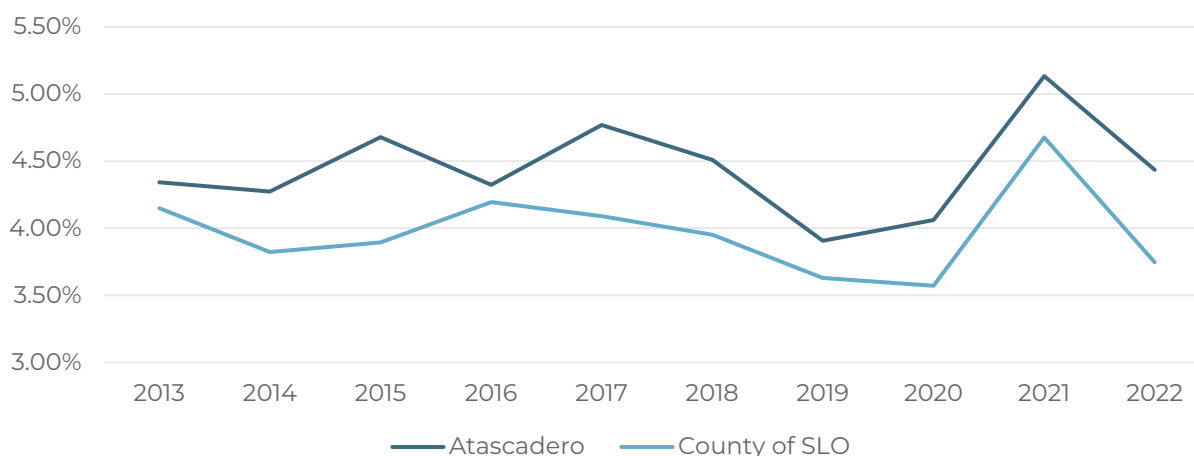
## Residential Turnover

<sup>5</sup> [Grand Oaks Paseo is a mixed-use development project by Cal Coastal Communities - Atascadero News.](#)

<sup>6</sup> As reported by apartments.com (owned by CoStar Group), accessed June 2023.

Residential turnover rates in Atascadero consistently exceeded those of the County over the past 10 years. In 2021, both the City and the County saw the highest turnover rates of the decade, as seen in **Figure 3-6**. This peak reflects the national increase in home sales spurred by the pandemic.<sup>7</sup> In both Atascadero and the County, however, turnover rates remain relatively low compared to the standard, long-term average turnover rate for residential property of between 6 and 10 percent.<sup>8</sup> The relatively low turnover rate means that there are fewer opportunities to “enter” the housing market in Atascadero (i.e., it is difficult for young households to move into the market). Low residential turnover also has implications for property transfer tax revenues to the City as well as property tax revenue as property is reassessed when it is sold. If homes are not turning over, the assessed value of residential property in the City tends to understate the current market value of the property.

**Figure 3-6: Residential Turnover Rates\* (2013-2022)**



\*Turnover rates reflects single family transactions divided by DOF supply.  
 Source(s): Redfin, Department of Finance, accessed October 2022.

## EMPLOYMENT AND COMMUTE TRENDS

### Job Growth Trends

Atascadero employment data indicates the City’s major industries are Health Care and Social Assistance, Construction, and Retail. Health Care and Social Assistance alone represents over 30 percent of total employment in the City, reflecting the impact of the Atascadero State Hospital. Further detail is provided in **Tables 3-9** through **11**.<sup>9</sup>

<sup>7</sup> [Zillow and Census Bureau Data Show Pandemic’s Impact on Housing Market.](#)

<sup>8</sup> Residential turnover rates vary between communities as they are affected by a range of factors, including: population and household changes, price-points for “starter homes,” and inventory.

<sup>9</sup> JobsEQ data is used to provide the most current employment data, while LEHD is used to provide insight into commute trends.

### Employment by Sector

The City’s economy added 265 jobs over the last 5 years, as seen in **Table 3-9**. This increase amounts to a 0.5 percent annual job growth over the period. Sectors in Atascadero that demonstrated the largest gains were Agriculture, Forestry, Fishing and Hunting and construction.<sup>10</sup> Jobs in Atascadero’s agriculture industry include nursery and greenhouse workers and vineyard employees. Three sectors account for over 50 percent of the City’s employment: Health Care and Social Assistance, Construction, and Retail. Health Care plays a major role in Atascadero employment, with over 2,000 of the jobs in the sector being accounted for by the State Hospital.<sup>11</sup> Two of the City’s top three employment sectors, Health Care and Social Assistance and Retail lost jobs during the past five years, each by slightly less than 2 percent. The loss in Retail jobs is consistent with an economy still recovering from the effects of the COVID-19 pandemic.

**Table 3-9: Atascadero Jobs by Sector (as of Q1 2022)**

Item	Current		5-Year History	
	Employment	Share	Change	Annual % Change
Jobs Sector				
Health Care and Social Assistance	3,190	31%	-26	0%
Construction	1,207	12%	172	3%
Retail Trade	1,155	11%	-75	-1%
Accommodation and Food Services	967	9%	41	1%
Educational Services	766	7%	67	2%
Other Services (except Public Administration)	479	5%	-70	-3%
Professional, Scientific, and Technical Services	433	4%	-17	-1%
Administrative and Support and Waste Management and Remediation Services	377	4%	79	5%
Agriculture, Forestry, Fishing and Hunting	245	2%	153	22%
Manufacturing	244	2%	30	3%
Finance and Insurance	209	2%	1	0%
Public Administration	204	2%	-24	-2%
Arts, Entertainment, and Recreation	194	2%	-5	-1%
Wholesale Trade	178	2%	-56	-5%
Utilities	164	2%	-54	-6%
Transportation and Warehousing	162	2%	87	17%
Real Estate and Rental and Leasing	120	1%	16	3%
Information	92	1%	-16	-3%
Management of Companies and Enterprises	12	0%	-6	-8%
<b>Total - All Industries</b>	<b>10,398</b>	<b>100%</b>	<b>265</b>	<b>1%</b>

Source(s): JobsEQ, accessed November 2022.

### Commute Trends

Atascadero has a net outflow of employees with less than a quarter of employed residents working in the City, as seen in **Table 3-10**. Conversely, 68 percent of jobs in Atascadero are filled by people living outside of the City. This discrepancy has widened over time, with the share of employed residents working outside of the City increasing by 3 percentage points

<sup>10</sup> Agriculture sector includes greenhouse and plant nursery workers.

<sup>11</sup> [California Department of State Hospitals - Atascadero](#).

between 2015 and 2019. As part of the General Plan Update, there may be ways to identify opportunities to retain and/or attract more head-of-household jobs, (i.e., jobs with wages sufficient to support a household). The commute data indicates that Atascadero serves as a bedroom community where many residents commute out for work to larger employment centers nearby.<sup>12</sup>

**Table 3-10: Share of Residents Working Outside**

Item	2015	2019
<b>Employed Residents</b>		
Working in Atascadero	24%	21%
Working Outside	76%	79%
<b>Total</b>	<b>100%</b>	<b>100%</b>
<b>Jobs</b>		
Living in Atascadero	35%	32%
Living Outside	65%	68%
<b>Total</b>	<b>100%</b>	<b>100%</b>

Source(s): LEHD, On the Map accessed October 2022.

The cities of San Luis Obispo, Paso Robles, and Templeton are the major employment destinations for Atascadero residents and primary origins of Atascadero workers, as indicated in **Table 3-11**. Over one quarter of Atascadero residents work in the City of San Luis Obispo and Paso Robles. Additionally, 3 percent of Atascadero’s employed population commutes to Los Angeles. The commute trends further emphasize Atascadero’s role as an integrated part of the regional economy.

**Table 3-11: Atascadero Resident and Employee Commute Trends (2019)**

Where Atascadero Residents Work		Where Atascadero Workers Live	
Destination	%	Origin	%
Atascadero City, CA	21%	Atascadero City	32%
San Luis Obispo City	18%	El Paso de Robles (Paso Robles) City	13%
El Paso de Robles (Paso Robles) City	9%	San Luis Obispo City	5%
Templeton CDP	6%	Templeton CDP	5%
Los Angeles City	3%	Morro Bay City	2%
Avila Beach CDP	3%	Los Osos CDP	2%
Santa Maria City	2%	Santa Maria City	1%
Morro Bay City	1%	Arroyo Grande City	1%
Arroyo Grande City	1%	Fresno City	1%
Bakersfield City	1%	Grover Beach City	1%
All Other Locations	34%	All Other Locations	37%
<b>Total</b>	<b>100%</b>	<b>Total</b>	<b>100%</b>

Source(s): LEHD, On the Map accessed October 2022.

<sup>12</sup> As noted in the population and household trends, the Atascadero State Hospital accounts for more than 1,000 people who are counted as residents although do not contribute to commuting trends.



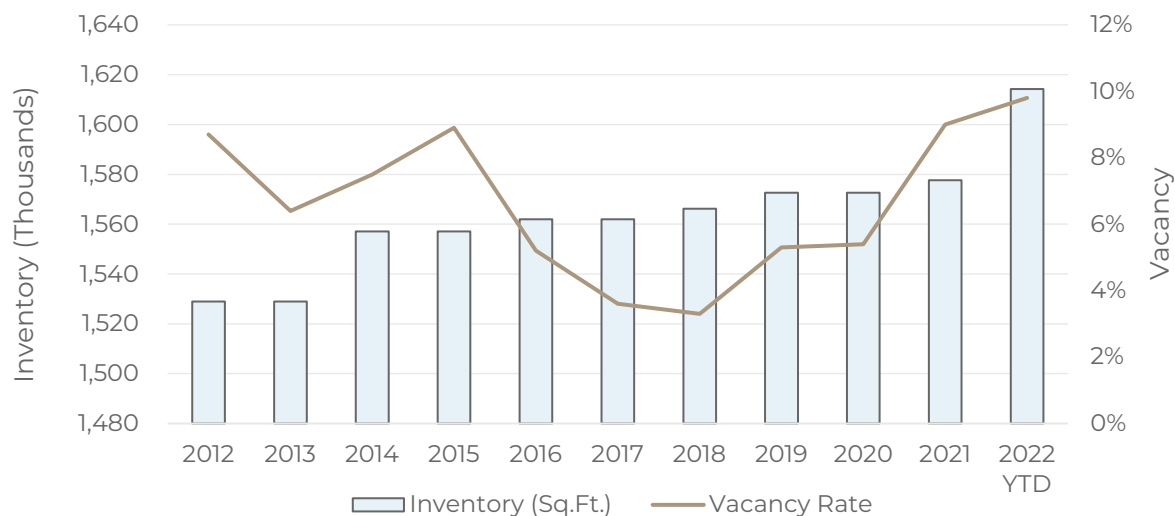
## COMMERCIAL REAL ESTATE MARKET CONDITIONS

Trends in Atascadero's commercial market generally reflect the trends of the region more broadly. Atascadero lease rates have remained lower than that of the County over the past decade, but fluctuations generally mirror County patterns. The City's consistently lower commercial rents emphasize its primary role as a residential community.

### Retail

As shown in **Figure 3-7**, CoStar estimates that there are approximately 1.6 million square feet of retail space in Atascadero. The City accounts for about 10 percent of the County's total retail inventory, consistent with its share of the population. Notably, retail properties account for nearly half of the City's non-residential square footage. The largest properties are Home Depot, Mission Oaks Mall, and K-Mart. Beyond these big box stores, a majority of the City's retail properties are smaller than 5,000 square feet. Although there is a lot of retail inventory in the City, it is not well-aligned with consumer preferences. Improving the quality and desirability of Atascadero's retail offerings is seen as a major opportunity to enhance the City's quality of life for residents and advance economic development objectives.

**Figure 3-7: City of Atascadero Retail Inventory and Vacancy Rate Trend**



Source(s): CoStar, accessed November 2022.

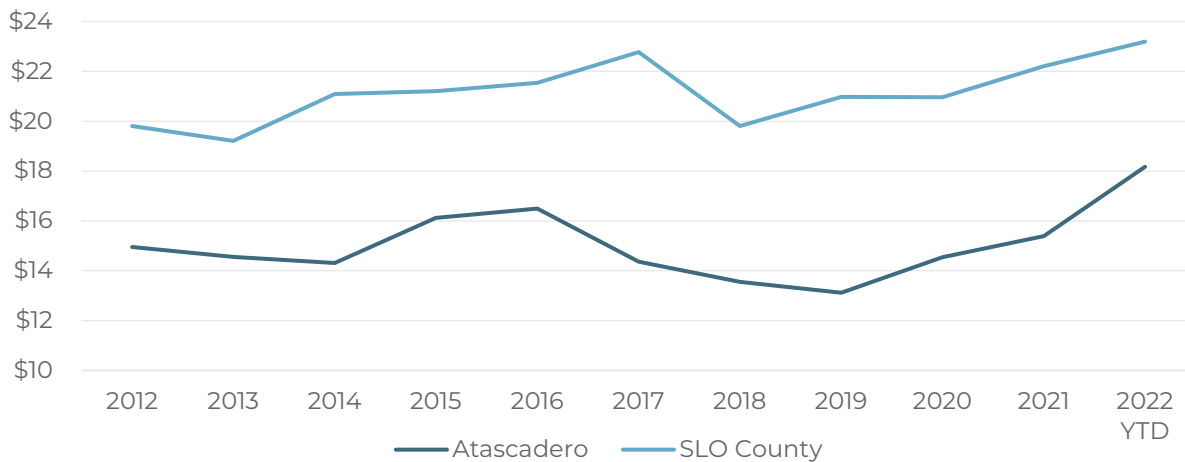
Retail real estate has experienced varying vacancy rates that reached a low of 3.3 percent in 2018 and a high of 9.8 percent in 2022, as shown in **Table 3-12**. This compares to a low of 2.6 percent and a high of 4.2 percent for the County. Even at the City's peak occupancy, its retail market never achieved the same level as the County. Despite fluctuations in vacancy rates, retail rents in Atascadero have remained consistent over the same period. The City's lease rates have remained below the County's with the most significant difference of \$8 per square foot occurring in 2017 and 2019. Demonstrated in **Figure 3-8**, Atascadero's retail rents experienced a strong rate of recovery since the onset of the pandemic in 2020, roughly following the same trend as the County.

**Table 3-12: Comparison of City and County Retail Vacancy Rates**

Year	Atascadero	SLO County
2012	8.7%	3.6%
2013	6.4%	3.3%
2014	7.5%	3.6%
2015	8.9%	4.2%
2016	5.2%	2.6%
2017	3.6%	3.0%
2018	3.3%	3.1%
2019	5.3%	3.0%
2020	5.4%	3.6%
2021	9.0%	3.6%
2022 YTD	9.8%	3.6%

Source(s): CoStar, accessed November 2022.

**Figure 3-8: Comparison of Retail Rent per Square Foot per Year**



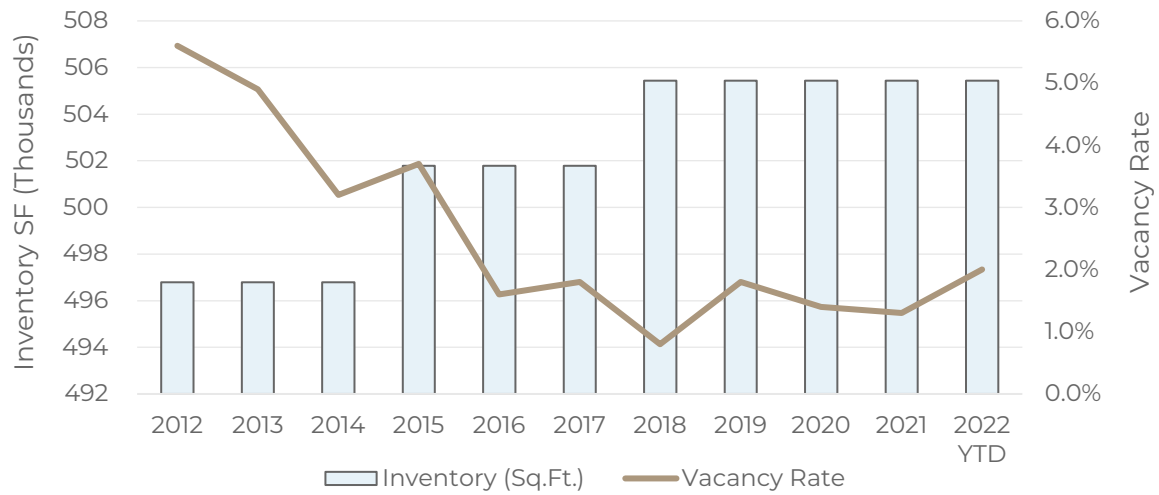
Source(s): CoStar, accessed October 2022.

## Office

Atascadero’s inventory of office supply over time showed steady growth since 2012, as shown in **Figure 3-9**. The City accounts for about 8 percent of County office inventory. Office vacancy rates declined from 2012 to 2018 to a decade low of 0.8 percent in 2018. Although rates increased from 2018 to 2022, vacancies remain relatively low at 2.0 percent compared to 4.4 percent in the County, as shown in **Table 3-13**.

Office rents in Atascadero are consistently below those of SLO County at approximately \$15 per square foot per year in 2022, as seen in **Figure 3-10**. While Atascadero exhibited much more sensitivity to the pandemic, the City’s office market roughly followed the same trends as the County.

Figure 3-9: City of Atascadero Office Inventory and Vacancy Rate Trend



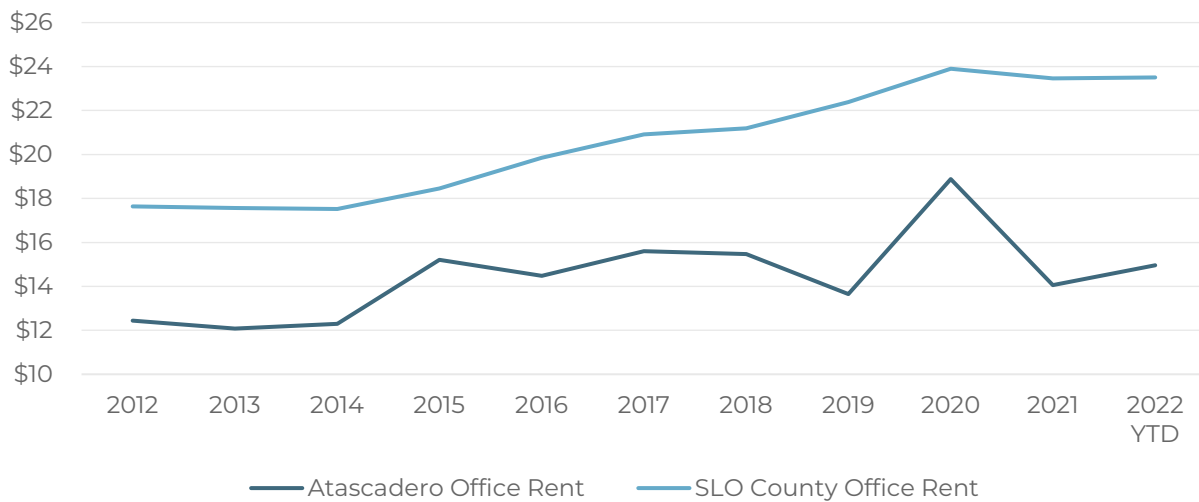
Source(s): CoStar, accessed October 2022.

Table 3-13: Office Vacancy Rates

Year	Atascadero	SLO County
2012	5.6%	3.1%
2013	4.9%	3.0%
2014	3.2%	3.8%
2015	3.7%	2.5%
2016	1.6%	1.7%
2017	1.8%	1.9%
2018	0.8%	1.9%
2019	1.8%	1.6%
2020	1.4%	2.6%
2021	1.3%	3.9%
2022 YTD	2.0%	4.4%

Source(s): CoStar, accessed October 2022.

**Figure 3-10: Comparison of Office Rent per Square Foot per Year**



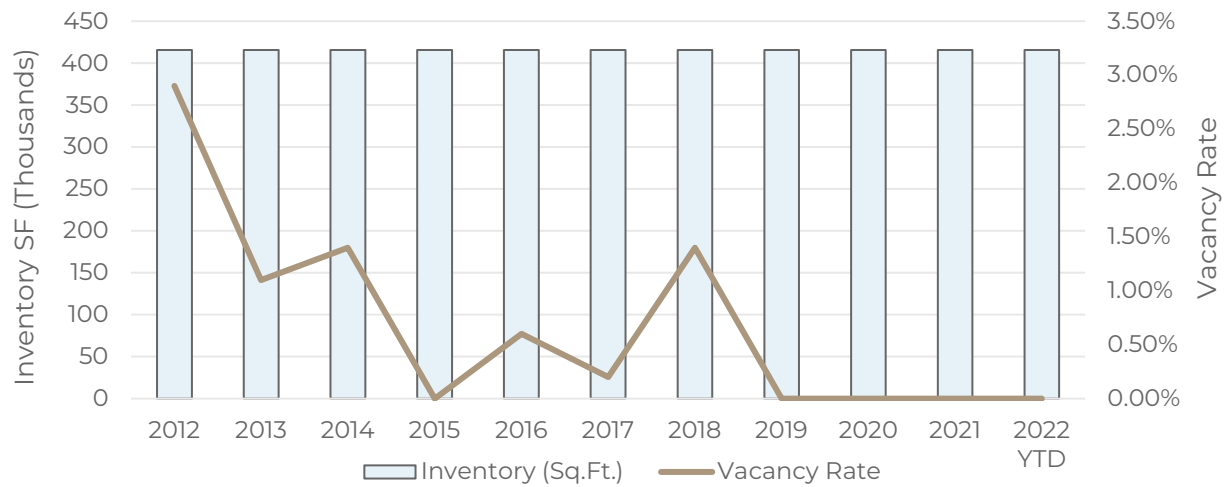
Source(s): CoStar, accessed October 2022.

### Industrial

There has not been any new construction of industrial space in Atascadero during the past decade, which resulted in very low vacancy rates fluctuating between 2.9 percent in 2012 and 1.4 percent in 2018, as seen in **Figure 3-11** and **Table 3-14**. Furthermore, the industrial market in Atascadero reached full occupancy in 2019 and continues to maintain this level in 2022. Vacancy rates this low tend to exert upward pressure on rents, which would make new construction, if permitted by zoning, increasingly feasible.

As shown in **Table 3-15**, triple net rents for industrial space in Atascadero are at \$13.20 per year per square foot as of Q4 2022, which suggests that rents are increasing to levels approximately consistent with office space. Of all the commercial property types, industrial rents in Atascadero compare the most closely to the County level. Indeed in 2017, Atascadero had a higher industrial lease rate than the County. The City has not since kept pace with the County's rent growth but maintains a close comparison.

Figure 3-11: Atascadero Industrial Market



Source(s): CoStar, accessed October 2022.

Table 3-14: Industrial Vacancy Rates

Year	Atascadero	SLO County
2012	2.9%	3.6%
2013	1.1%	2.7%
2014	1.4%	2.6%
2015	0.0%	1.8%
2016	0.6%	4.4%
2017	0.2%	3.0%
2018	1.4%	3.1%
2019	0.0%	2.4%
2020	0.0%	1.7%
2021	0.0%	1.1%
2022 YTD	0.0%	2.1%

Source(s): CoStar, accessed October 2022.

Table 3-15: Industrial Rent per Square Foot per Year

Year	Atascadero	SLO
2012	\$8.07	\$8.29
2013	\$7.78	\$9.03
2014	\$9.52	\$9.86
2015	\$9.60	\$10.81
2016	\$8.83	\$10.55
2017	\$12.77	\$11.83
2018	\$11.54	\$15.93
2019	\$9.68	\$12.28
2020	\$9.00	\$12.74
2021	N/A	\$16.11
2022 YTD	\$13.20	\$15.59

Source(s): CoStar, accessed October 2022.

Hospitality

The City’s existing hotel inventory includes one upscale, four upper-midscale, and four economy hotels with a total supply of roughly 640 rooms, as seen in **Table 3-16** and **Figure 3-12**. An additional 89 rooms are planned with the upcoming construction of the Colony Square Hotel on El Camino Real. The new hotel would be a part of a proposed mixed-use development with 67 residential units and over 58,000 square-feet of commercial space.<sup>13</sup> The proposed development would add to the City’s upscale hotel offerings, broadening the range of properties available to visitors and increasing the City’s transient occupancy tax revenue.

Since 2012, average room rates have increased except for a drop in 2020 due to the pandemic. Rates have since more than recovered, reaching a decade high average daily rate of \$175 in 2022. Occupancy rates similarly decreased in 2020 but have not experienced the same recovery. As shown in **Figure 3-13**, occupancy rates have increased from the 2020 low of 52 percent but have not returned to the high of 72 percent achieved in 2015.

**Table 3-16: Inventory of Hotels in Atascadero**

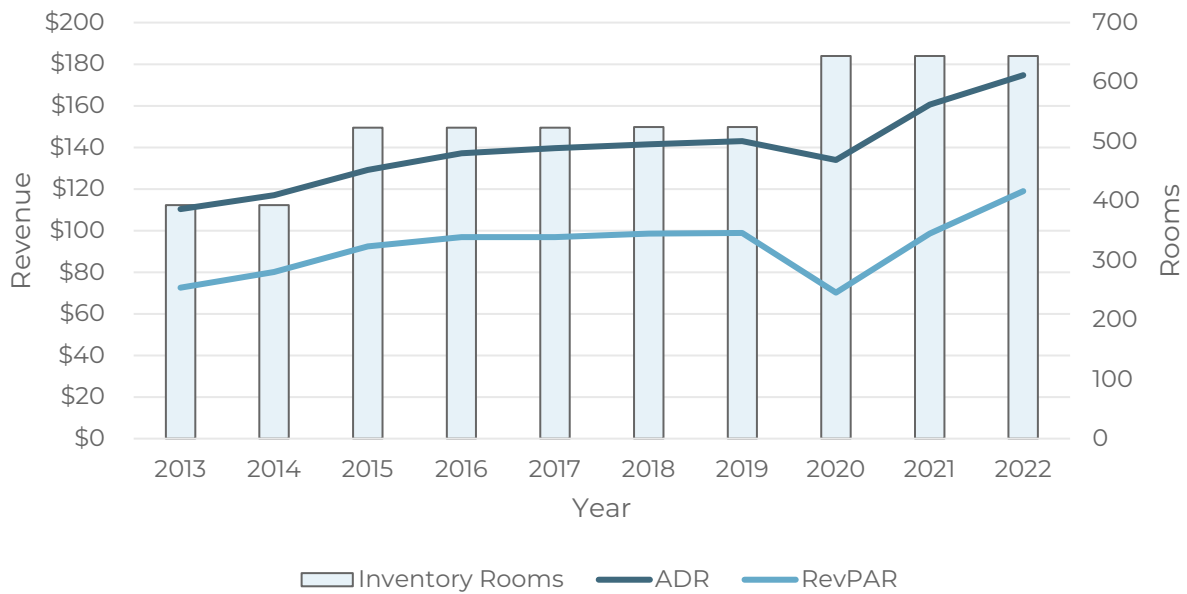
Hotel Name	Class	Address	Open Date	Rooms
<b>Existing</b>				
Motel 6 Atascadero	Economy	9400 El Camino Real	6/1/1982	118
Atascadero Inn	Economy	6505 Morro Rd	6/1/1985	30
Best Western Plus Colony Inn	Upper Midscale	3600 El Camino Real	5/1/1986	75
Atascadero Mission Cottages <sup>14</sup>	Economy	4900 San Palo Rd	1/1/1999	11
The Carlton Hotel	Upper Midscale	6005 El Camino Real	9/1/2003	52
Holiday Inn Express & Suites Atascadero	Upper Midscale	9010 W Front Rd	7/1/2008	80
Vino Inn and Suites	Economy	6895 El Camino Real	9/1/2011	27
SpringHill Suites Paso Robles Atascadero	Upscale	900 El Camino Real	6/1/2015	130
Home2 Suites by Hilton Atascadero	Upper Midscale	1800 El Camino Real	6/1/2020	120
<b>Existing City Total</b>				<b>643</b>
<b>12 Month Average Daily Rate</b>				<b>175</b>
<b>12 Mo. RevPAR</b>				<b>119</b>
<b>Proposed</b>				
Colony Square Hotel	Upscale	6901-6903 El Camino Real		89

Source(s): CoStar, accessed November 2022.

<sup>13</sup> [Colony Square \(atascadero.org\)](http://Colony Square (atascadero.org))

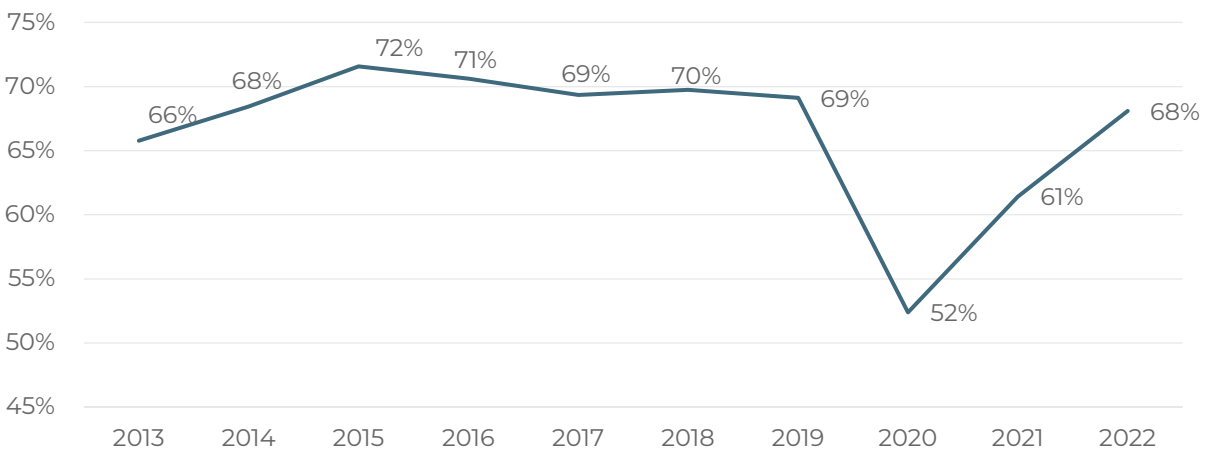
<sup>14</sup> Transit Occupancy Tax is paid on stays 30 days or less.

Figure 3-12: Hotel Rooms and Rates



Source(s): CoStar, accessed October 2022.

Figure 3-13: City of Atascadero Hotel Occupancy Rates



Source(s): CoStar, accessed October 2022.

## 3.3 Fiscal Trends and Land Use Implications

### INTRODUCTION

In 2021, the City of Atascadero adopted the 2021-2023 Action Plan which addresses four strategic priorities, one of which is to achieve “Fiscal Infrastructure Efficiency & Sustainability.” In essence, the City aims to be prepared to absorb, withstand, and adapt in the face of external economic and fiscal challenges while effectively investing in modern and reliable infrastructure. The City’s 2021 Comprehensive Financial Strategy, which focuses specifically on creating a strong foundation for fiscal health, also seeks to leverage opportunities for long-term economic development and financial sustainability.

To help address these goals and objectives, this chapter looks at conditions and trends in key General Fund revenues and expenditures as a basis for identifying key fiscal challenges and opportunities that may affect land use decisions made during the course of the General Plan Update. It also provides a qualitative evaluation of the relative fiscal implications of select land use categories on the City’s key General Fund revenues and expenditures. This evaluation can be used to help the City understand the potential fiscal tradeoffs of land use and development patterns, set service standards, and plan for public facilities as the General Plan land use alternatives are being defined (a future task).

For this review, EPS evaluated data from four of the City’s budget documents over the past 15 years, including actuals from fiscal years 2007/08, 2012/13, 2017/18 and adopted estimates for fiscal year 2022/23.<sup>15</sup> EPS also met with the City’s Finance Department. Results are presented in nominal dollars (i.e., as published in the City’s budget documents) and occasionally adjusted to constant 2022 dollars to highlight structural trends.

### GENERAL FUND REVENUES

This section describes the City’s primary General Fund revenue sources and highlights whether sources are growing, stable or at risk and how decisions made as part of the General Plan process can support fiscal sustainability in the City.

#### 15 YEAR TREND

The City’s General Fund Revenues have remained relatively consistent over time, in nominal terms with average annual increases of 3.3 percent since FY 2007/08. In looking at the data in constant 2022 dollars, revenues show less than a 1 percent annual increase over the last 15 years, the same annual percent change as population growth. Of the growth, Transient Occupancy Tax shows the largest revenue increase while miscellaneous revenues such as Revenues from Other Agencies and Revenues from Use of Money shows the largest decrease.

Additionally, two General Fund revenue categories were added more recently by voters. In November 2018, a Cannabis tax was approved by voters authorizing a tax on marijuana businesses. In November 2020, voters passed Sales Tax Measure D-20 to generate additional revenue to fund many of the community’s key priorities. The components of the City’s General Fund revenues are described below. **Figures 3-14** and **3-15** present the City’s General

---

<sup>15</sup> Recorded revenues and expenditures for the fiscal year.



Fund revenue trends between FY 2007/08 and FY 2022/23, in both nominal and constant 2022 dollars. Refer to the **Appendix** of this chapter for more detail.

Figure 3-14: City of Atascadero General Fund Revenue Budget (Nominal Dollars)

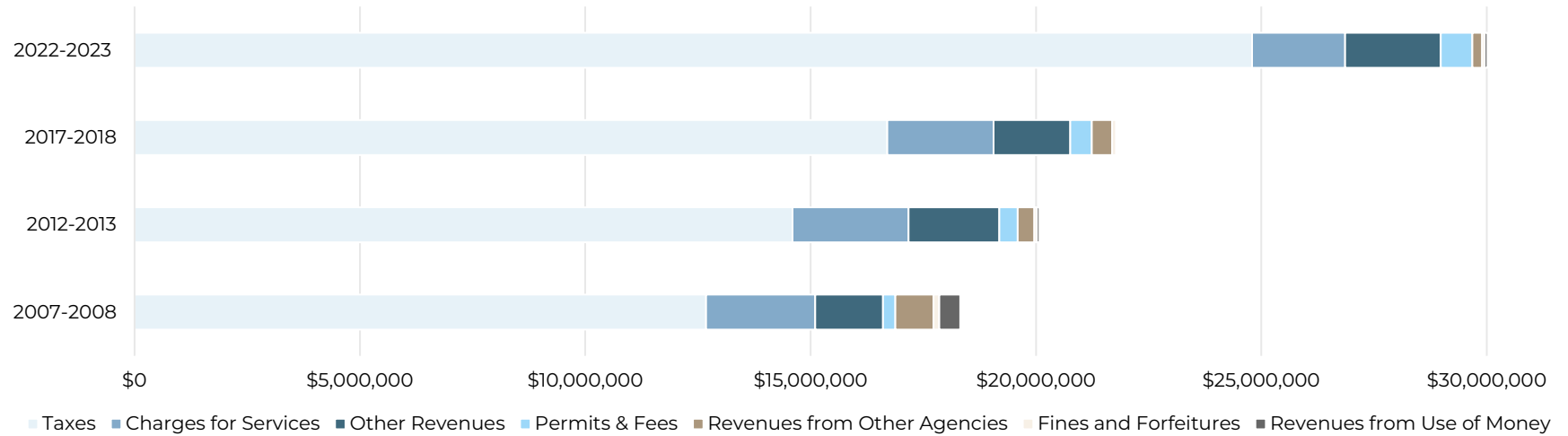
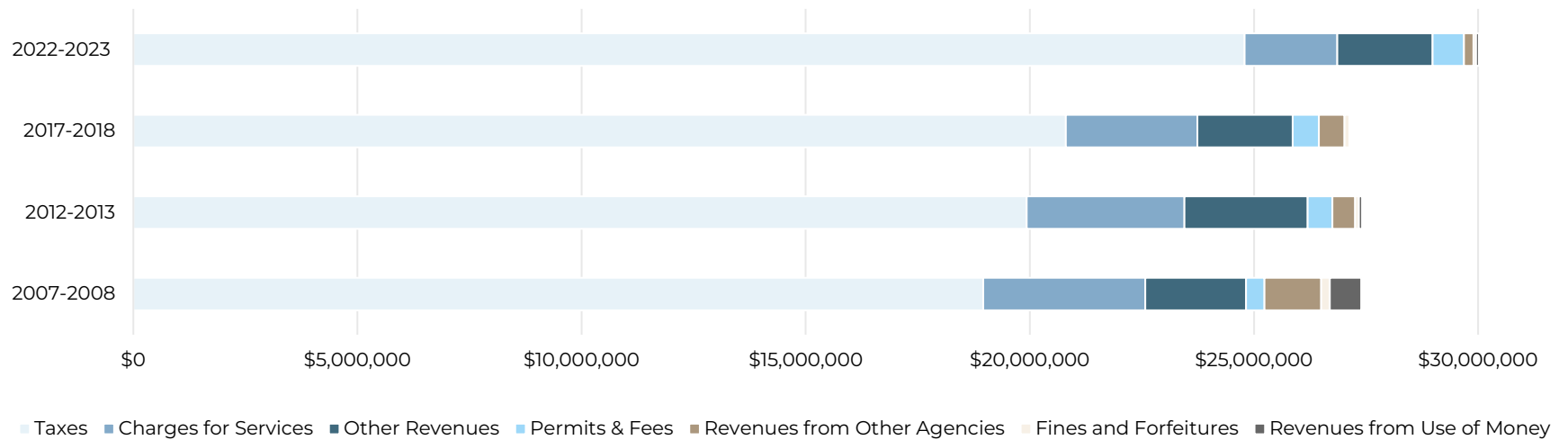


Figure 3-15: City of Atascadero General Fund Revenue Budget (Constant 2022 Dollars)

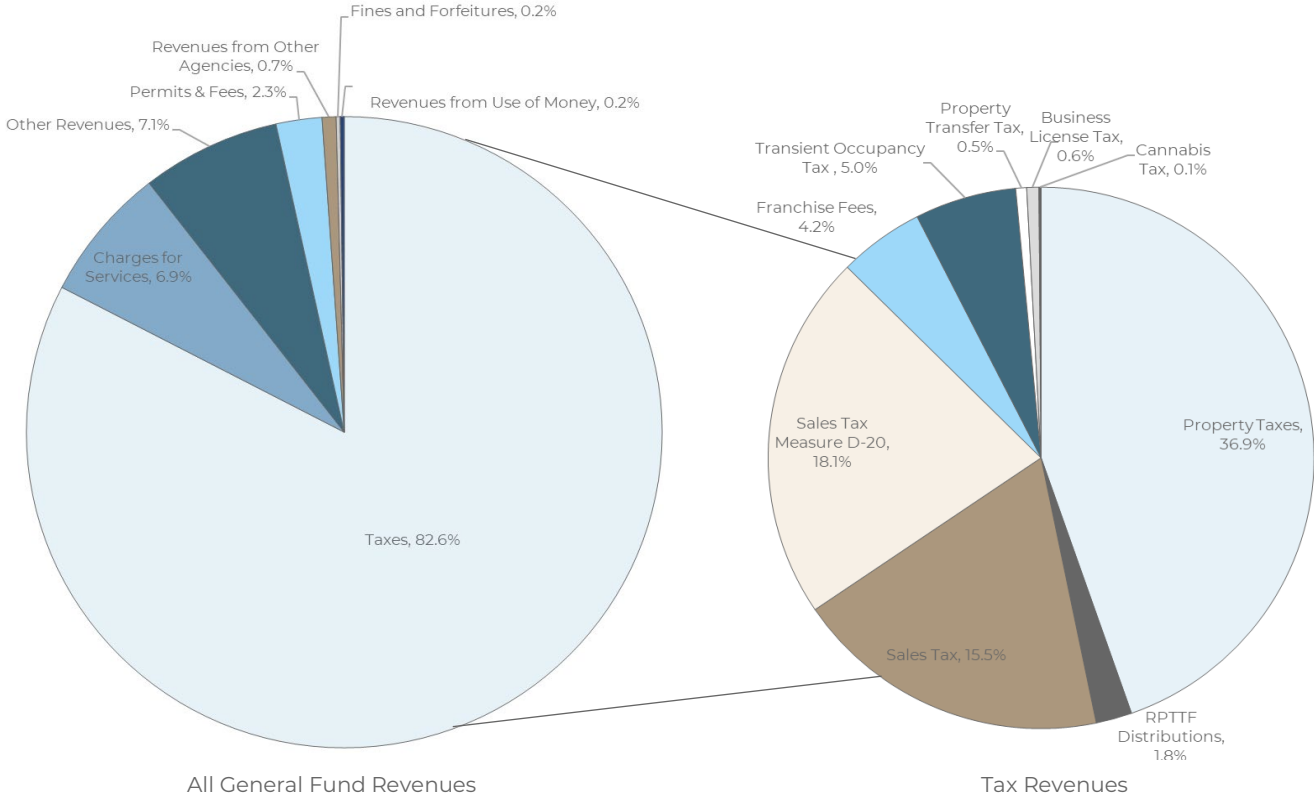


Revenues by Source

Tax Revenues

Taxes make up the largest source of General Fund revenue for the City, accounting for roughly 82.6 percent of FY 2022/23 estimated revenue, as seen in **Figure 3-16**. Of the various taxes, Property Tax is the highest individual source of revenue accounting for 36.9 percent of total General Fund revenue. Sales taxes, including taxes from Measure D-20 account for 33.6 percent of total revenue. Other notable tax revenues include Transient Occupancy Tax at 5.0 percent and Franchise Fees at 4.2 percent.

Figure 3-16: General Fund Revenues by Percentage (FY 2022/23)



Property Related Taxes

Property taxes are derived from the assessed value of secured and unsecured property, and the City’s General Fund share of the 1 percent base property tax rate.<sup>16</sup> Assessed valuation is derived from the following factors:

- the sum of the prior year’s “base” plus an added annual increment that includes an up to 2 percent statutory increase
- the value added from turnover of real property (property sales)

<sup>16</sup> Unsecured property refers to owned and leased business equipment and other property such as planes and boats.

- the value added by new construction
- the value added or subtracted by re-assessments

Changes in assessed value are capped by Proposition 13, which limits the annual increase to 2.0 percent or the California Consumer Price Index (whichever is lower). When property is sold, the assessed value is reset at the sale price, thus establishing a new base for property tax collection. The property tax rate may exceed 1 percent if voters approve general obligation debt/bonds. On average, the City’s General Fund currently receives approximately 13 to 17 percent of each property tax dollar, after accounting for shifts to other entities.<sup>17</sup>

The City follows the 1996 Countywide Master Property Tax Sharing Agreement for annexed areas, despite not being a formal signatory.<sup>18</sup> In general, this agreement allows the County to keep all the base and future increments of property tax for commercial or industrial zoned properties. For residential, recreation, or open space uses, the County keeps the property tax base and retains 66 percent of future increment. All agricultural uses result in the County keeping both the existing property tax base and all future increments. Currently, the City is in negotiations with the County to update the tax sharing agreement, which has the potential to allocate a higher share of property tax to the City compared to the existing agreement in the event of future annexations.

The City’s taxable assessed value is \$4.83 billion as of FY 2022/23 and has shown steady increases since 2012, with annual nominal increases of roughly 5.2 percent over the last nine years, as seen in **Table 3-17**. With little new development activity in the City, this growth beyond the Prop. 13 limit of 2.0 percent is attributable to the sale, or turnover, of existing properties that transacted at values greater than their then-current assessed value and improvements to existing properties that increased the assessed value.

**Table 3-17: Atascadero Assessed Value Trends**

Fiscal Year	Assessed Value in Nominal Dollars	Y-O-Y Percent Change
2003/04	\$1,964,719,525	9.58%
2004/05	\$2,166,790,995	10.29%
2005/06	\$2,424,564,670	11.90%
2006/07	\$2,796,694,310	15.35%
2007/08	\$3,090,464,606	10.50%
2008/09	\$3,153,920,008	2.05%
2009/10	\$3,048,359,883	-3.35%
2010/11	\$2,974,274,420	-2.43%
2011/12	\$2,905,011,491	-2.33%

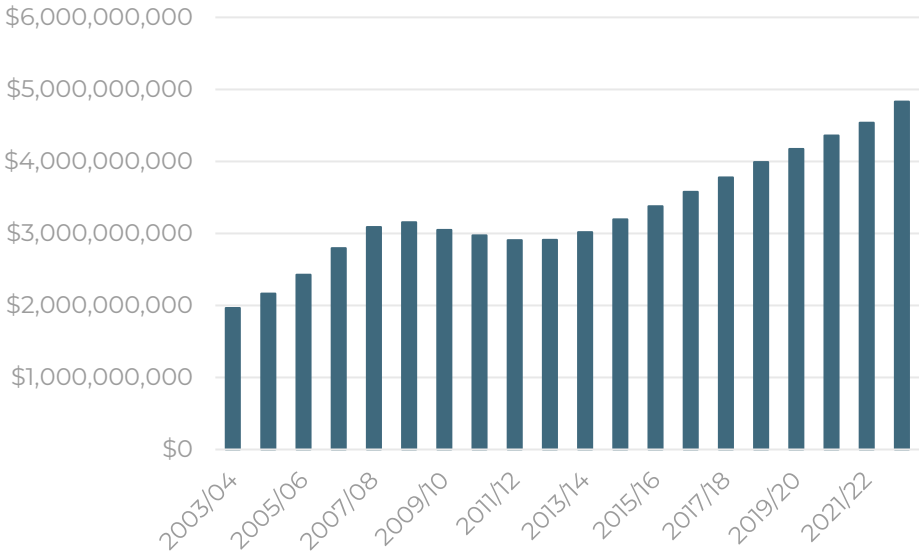
<sup>17</sup> Actual property tax allocation to the City is dependent on the property’s specific Tax Rate Area.

<sup>18</sup> The County Master Property Tax Sharing Agreement, adopted April 23, 1996, was formally signed by the cities of San Luis Obispo, Grover Beach, Arroyo Grande, and Morrow Bay. All cities in the County have been using the agreement’s provisions, including those that did not formally sign it.

Fiscal Year	Assessed Value in Nominal Dollars	Y-O-Y Percent Change
2012/13	\$2,911,262,172	0.22%
2013/14	\$3,016,930,596	3.63%
2014/15	\$3,194,259,931	5.88%
2015/16	\$3,378,519,547	5.77%
2016/17	\$3,578,899,913	5.93%
2017/18	\$3,775,528,569	5.49%
2018/19	\$3,990,810,592	5.70%
2019/20	\$4,172,031,404	4.54%
2020/21	\$4,361,659,685	4.55%
2021/22	\$4,536,122,089	4.00%
2022/23	\$4,830,807,720	6.50%

Source(s): County of San Luis Obispo Auditor; Controller's Office; City of Atascadero.

Figure 3-17: Atascadero Assessed Value (Nominal)



Since 2004, Property Tax in-lieu of Motor Vehicle License Fee (VLF) revenue increased each year based on the proportion of growth of assessed value in the City and is also categorized as a property-related tax.<sup>19</sup> VLF revenue in the City of Atascadero aligns with slow growth in the assessed value of the City's real properties.

### *Property Tax Implications of Future Land Use Decisions*

Because property tax is the largest component of the City's General Fund revenues, the following discussion focuses on the property tax-related fiscal implications of future land use decisions.

### *Residential Property Taxes*

In estimating property taxes, the assessed value of existing residential property and the market value of future residential units, if any, are the most critical factors. If the General Plan Update provides opportunities for new residential development, one of the central questions will be what type of residential development is most appropriate in the City and where should the residential development occur. From a fiscal sustainability perspective, one of the key questions is whether more compact development (i.e., townhomes or multifamily units) within the urban core will have greater or lesser fiscal impacts than more traditional single-family development. Based on fiscal analyses in other communities, compact development does not uniformly result in greater or lesser fiscal impacts; population density affects public safety considerations even as service efficiencies may be realized. In denser, urban areas, compact development can generate higher property valuations on a per-acre basis compared to single-family development. In less developed areas, it is likely that the opposite is true—for example, five single-family homes on one acre could generate higher value than ten townhomes on that same acre. That said, the location of the development also matters. If those same five single-family homes are located on land that needs new infrastructure or investment in public safety to meet public safety service standards, the property tax revenue to the City could be eroded by required service expenditures. Additionally, costs to serve residential land uses may offset, or at times, be greater than the potential revenues.

### *Commercial Property Taxes*

The amount and value of new commercial development, as well as subsequent transactions, also affect property tax revenue. Values per square foot will vary by type of commercial use (i.e., office, retail, industrial), location, market demand, and supply. Office uses typically generate higher property tax revenue than retail uses because the buildings are generally of higher-quality construction type (e.g., Type I construction) and include a higher level of tenant improvements. However, this may not be the case in the City of Atascadero as many of its existing office properties are low-rise. While retail uses typically generate lower property tax revenues, retail uses also generate sales tax, which typically offsets the difference in property tax revenues, as discussed below. This discussion will be particularly important and relevant in thinking about economic development of commercial areas within the City. Particularly, when discussing the potential for future office developments.

### *Public Facilities and Open Space*

Public facilities and parks (and in the case of Atascadero, the Charles Paddock Zoo) do not generate property tax revenue, but they are often leveraged to attract visitors and visitor

---

<sup>19</sup> Prior to 2004, the allocation methodology was based on population growth.

spending.<sup>20</sup> Parks and open space add to the City's public works expenditures and can add to the City's public safety expenditures. However, if properly maintained and patrolled, parks can be an important amenity, and proximity to a park can increase residential and commercial property values.

## Property Transfer Tax

The City receives real property transfer tax revenue for any property that is sold at a rate of \$0.55 for every \$1,000 of value. Property transfer tax revenues, therefore, depend upon sales activity. Residential turnover in the City of Atascadero has been relatively low with a current turnover rate of just 4.44 percent, similar to the County which has a current turnover rate of 3.75 percent. Low turnover reflects the stability of the community, which is consistent with the aging population and also suggests a relatively competitive housing market, since a standard turnover rate for residential property averages between 6 and 10 percent.<sup>21</sup> For the time being, however, the relatively low turnover rate means that there may be fewer opportunities to "enter" the housing market in Atascadero (i.e., it is difficult for young or new households to move into market).

Low residential turnover has implications for property transfer tax revenues to the City as well as property tax revenues: property is reassessed when it is sold. If homes are not turning over, the assessed value of residential property in the City will understate the current potential market value of the property. Another reason for a lower property tax and transfer tax revenues could be attributed to California Proposition 19. The proposition allows homeowners over 55 years of age or older, disabled, or victims of natural disasters to transfer their property tax base to a replacement property anywhere in the State. Thus, even if the City had a higher turnover rate, new residents who meet the criteria can bring a lower property tax base to the City.

Compared with residential property, commercial property and investment properties, such as entire multifamily residential buildings, tend to turn over infrequently, which suppresses the assessed value of the property relative to its market value.

## Sales Tax

After property-tax related revenues, sales tax revenues, excluding Measure D-20, represent the third largest single revenue source to the City's General Fund. The sales tax rate in the City is 8.75 percent, of which, 1.0 percent is returned to the City's General Fund. Based on 2022 dollars, sales tax revenue has slightly decreased from 2007/08 at a rate of 0.9 percent annually. Sales tax generally ranges from 15 to 19 percent of the City's revenues.

Reflected in the 8.75 percent sales tax rate is voter-approved Sales Tax Measure D-20, which was approved in November 2020 and added an additional one-cent "transaction" tax. Measure D-20 became effective April 1, 2021 and is intended to provide funding for public safety, maintenance of parks and public facilities, and other general city services. Although no actuals have yet to be reported for Measure-D-20, conversations with the Finance

---

<sup>20</sup> The zoo, for example, is the only zoo in the Central Coast of the United States and prior to the Pandemic, had well over 60,000 attendees annually.

<sup>21</sup> Residential turnover rates vary between communities as they are affected by a range of factors, including: population and household changes, price-points for "starter homes," and inventory.

Department indicate the Measure is performing better than expected and exceeded the \$5.2 million projected for the past fiscal year; it is estimated that it will be the second largest single revenue source to the City's General Fund.

### *Sales Tax Implications of Future Land Use Decisions*

New retail establishments can have a positive General Fund impact through the generation of sales tax (and potentially property taxes if the establishment coincides with new construction or improvements to existing buildings as discussed in the property tax section above). From a General Plan perspective, growth in taxable sales are attributable to sales to *new* residents and employees, *net new* sales of goods and services to *existing* residents and employees (either through increased capture of existing sales or increased household spending), and increased capture from outside non-resident sources, such as visitors and non-resident employees. Sales tax is also generated by business-to-business purchase transactions.

In many cities, the incomes of existing and new households will be an important factor in determining the increase in sales tax revenue generated by new development. However, in the City of Atascadero, enhancing resident-serving retail, expanding visitor-serving retail, and/or attracting new sales-tax generating businesses will have the greatest effect on increasing sales tax revenues. Existing retail primarily consists of dated retail options on small parcels. As previously noted, a majority of retail properties are smaller than 5,000 square feet. While sales tax accounts for a large portion of Atascadero's revenue, demonstrated in **Figure 3-18**, the City's overall per capita revenue is less than other cities in the county, shown in **Figure 3-19**. Modernizing and diversifying retail options is one opportunity for Atascadero to attract both residents and visitors.

From a fiscal perspective, sales tax revenue estimates are sensitive to *where* in the City new retail is located because location can affect performance. If appropriately located and targeted, new retail development can improve a City's capture rate by keeping more household spending in the City or attracting more spending from outside the City.

As noted, other employment-generating developments will also increase sales tax revenue through business-to-business transactions and employee spending (especially employees from other jurisdictions). Although estimating the retail spending by new workers is relatively straightforward, the level of business-to-business sales can vary significantly by the type of business. For example, some manufacturers, especially in technology sectors such as computer, software, and medical devices, often report significant point of sale transactions. However, firms involved in food or raw material processing generally do not since their products are sold elsewhere. Thus, the economic development implications of various General Plan land use alternatives will need to be considered.



Figure 3-18: 2022-2023 General Fund Revenue per Capita by City (Adopted Budget FY2022-23)

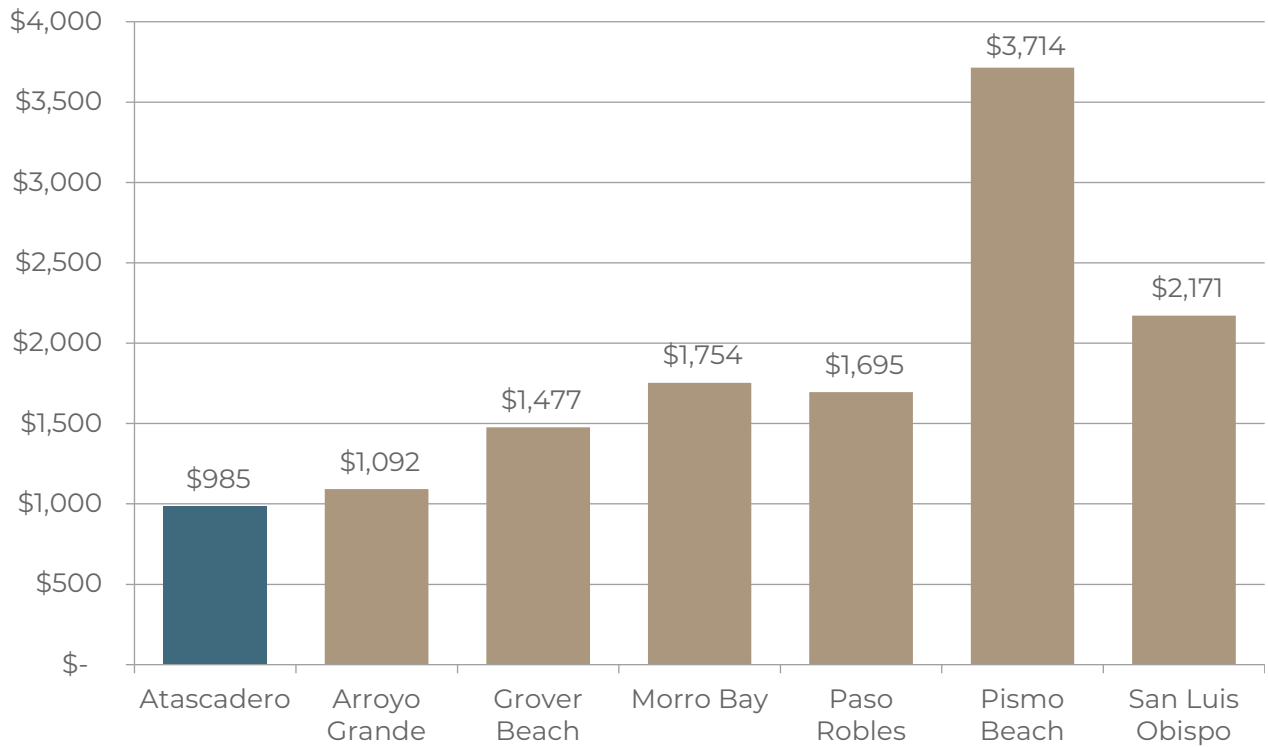
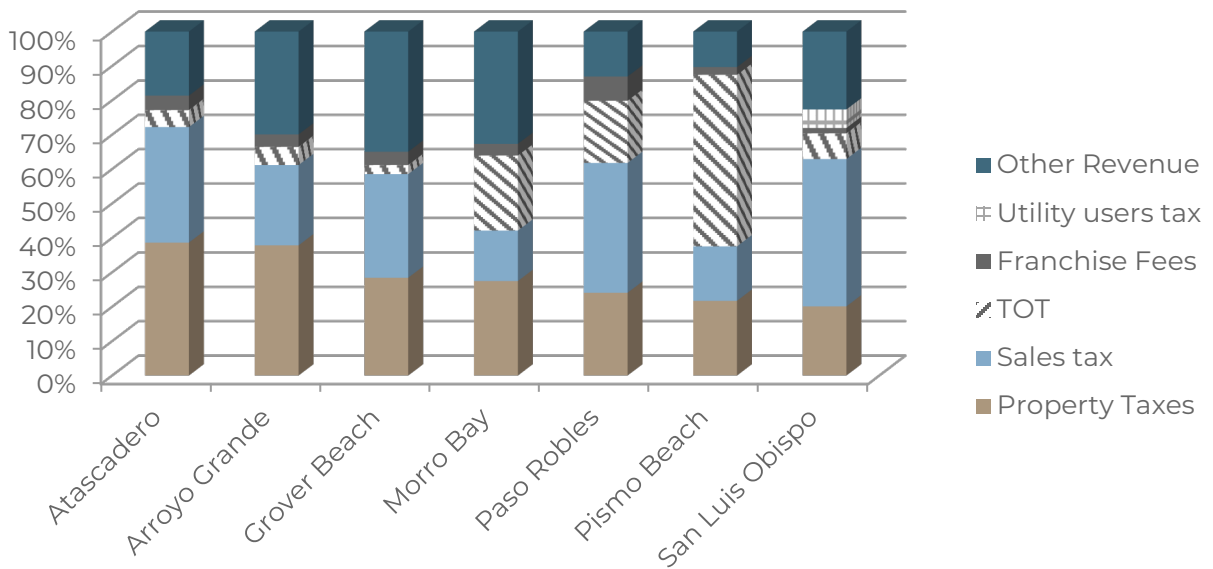


Figure 3-19: General Fund Revenue by Type for San Luis Obispo County Cities (Adopted Budget FY22-23)



## Transient Occupancy Taxes

Transient Occupancy Tax for hotels and short-term rentals in the City consist of a 1.5 percent tax collected for the County, a 2.0 percent tax for the Atascadero Tourism Business Improvement District, and a 10.0 percent tax that goes directly to the City's General Fund. Over the past 15 years, TOT revenues within the General Fund increased nominally by 9.0 percent, and by 6.1 percent in constant dollar terms. Prior to COVID-19, the City saw a 44.6 percent nominal revenue increase from 2013 to 2018. Though estimated TOT revenues declined in FY 2019/2020 due to COVID-related travel restrictions, TOT revenue is expected to rebound. Increased TOT is likely attributable to new inventory including the 251 rooms recently built since 2013 and increase in short-term rental registrations, rising room rates, and stable or increasing occupancy rates. In Atascadero, hotel night stays are generated primarily by tourists, and the summer and fall months of each year see strong TOT revenue. Compared to other cities in the County, TOT accounts for a relatively small portion of Atascadero's revenue, as shown in **Figure 3-16**. Increasing the quality of hotel offerings and the desirability of the City's retail sector could be one way to increase tourism and TOT revenue.

### *TOT Implications of Future Land Use Decisions*

TOT revenues can be positively affected by new hotel development, new short-term rentals, increased occupancies, and increased room rates. As TOT is collected exclusively from accommodations, the connection to land use is quite direct, although, land uses providing additional draws to the city or providing conference amenities may have an indirect effect on TOT revenues by attracting visitors (both leisure and business) that require overnight accommodations that would otherwise not have visited the city. In Atascadero these may include additional recreation facilities, a conference center, or office space that would support increased business travel.

## Business License and Cannabis Taxes

The City imposes business license taxes on all businesses operating within the City. The license is charged as a flat fee, depending on the type of business, in addition to a per employee charge of \$5 for part-time workers and \$10 for full-time workers. Business license revenues have been generally stable at approximately \$200,000 per year. General Plan alternatives with a stronger emphasis on economic development (e.g., more land dedicated to commercial uses or more jobs) are likely to generate more revenue from these business taxes. Although business license tax revenue is not one of the City's major revenue sources, it is one of the revenue sources that the City controls to some extent – either through economic development activity and or rate setting.<sup>22</sup>

The City also recently adopted a cannabis business tax which specifically applies to businesses selling cannabis products. This tax is 6.0 percent of total gross receipts generated within City limits. The tax is projected to generate \$32,000 in 2022 and is a smaller revenue source which could potentially be increased with additional cannabis businesses or sales.

---

<sup>22</sup> Many jurisdictions collect business license taxes as a percentage of gross receipts.

## Other Annual Revenues

Other revenues include franchise fees, fines and penalties, and miscellaneous revenue such as revenue from use of money, revenues from other agencies, and charges for services.<sup>23</sup> While franchise fees and fines and penalties are revenue items that may expand in relative proportion to population and employment growth, miscellaneous other revenues, such as “revenue from use of money” are not tied to land use and fluctuate independent of development.

Additionally, charges for services and permits and fee revenue are generally cost-recovery charges as opposed to net new revenues. For example, charges for service includes fees to pay for police officers to work at local events while permits and fee revenue is collected for staff time used to review and inspect new construction.

## GENERAL FUND EXPENDITURES

This section describes the City’s primary General Fund expenditures and highlights whether sources are growing, stable or at risk and how decisions made as part of the General Plan process can support fiscal sustainability in the City.

### 15 YEAR TREND

Since 2007/08, the City’s General Fund expenditures have increased at an average annual nominal rate of 3.1 percent, outpacing the City’s population growth. After adjusting for inflation during the past 15 years, expenditures are relatively stable, increasing at 0.4 percent annually in constant 2022 dollar terms. In percentage terms, the most marked expenditure increases have been in Public Safety, Community Development, and Community Services. **Figures 3-20** and **3-21** present the City’s General Fund expenditure trends between FY 2007/08 and FY 2022/23, in both nominal and 2022 dollars. Refer to **Appendix A** of this chapter for more detail.

The General Plan Update can alter the trajectory of General Fund expenditures primarily by designating new service standards or facility needs, which in turn affect staffing and maintenance requirements or directing where new development can occur. For example, identification of new parkland could affect Public Works maintenance and utility costs. Or, significant new development outside of the urban core may require relatively higher public safety expenditures on a per capita or per residence basis than similar development within the urban core. Other expenditures, such as General Government are not likely to be as affected.

---

<sup>23</sup> Fees collected from cable television, garbage disposal, natural gas, electricity, and wastewater providers.

Figure 3-20: City of Atascadero General Fund Expenditure Budget (Nominal Dollars)

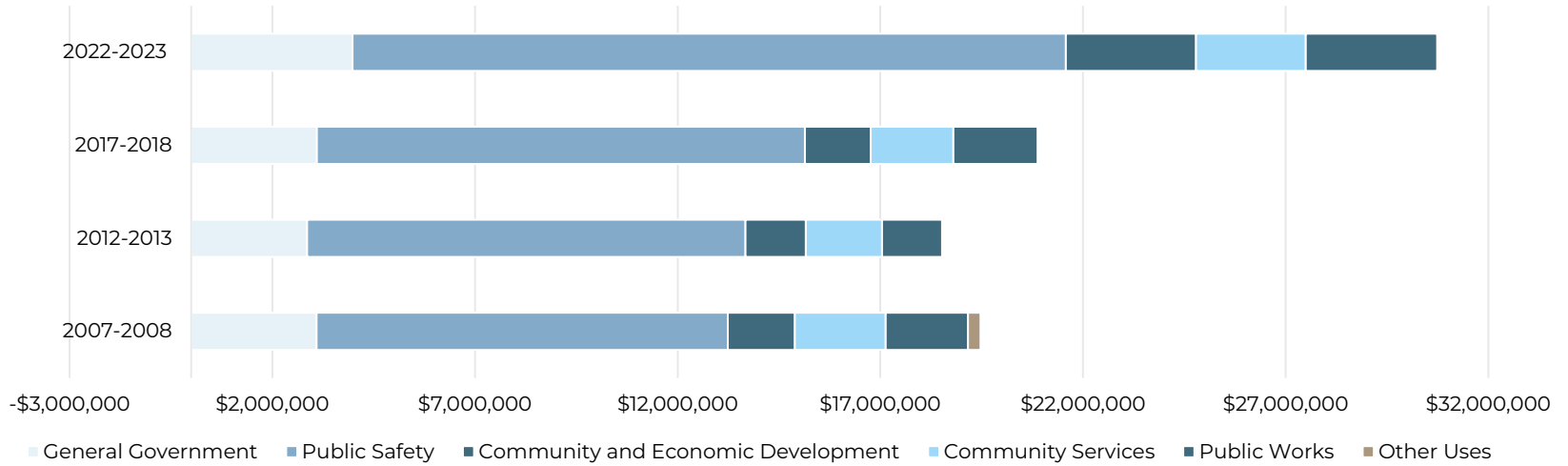


Figure 3-21: City of Atascadero General Fund Expenditure Budget (Constant 2022 Dollars)

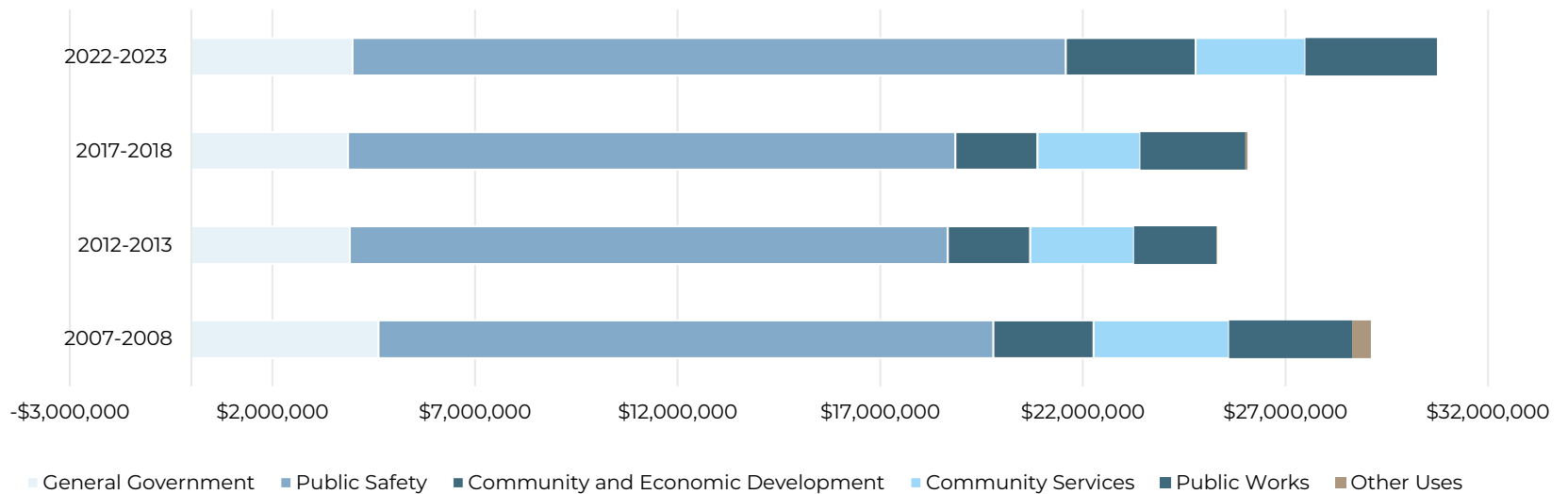
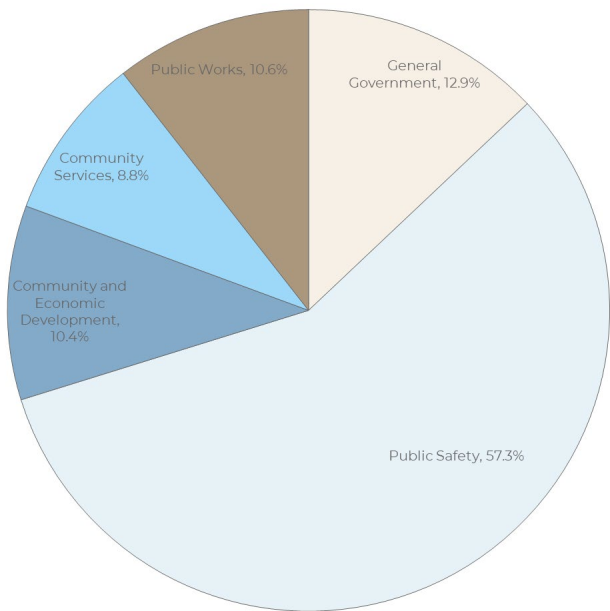


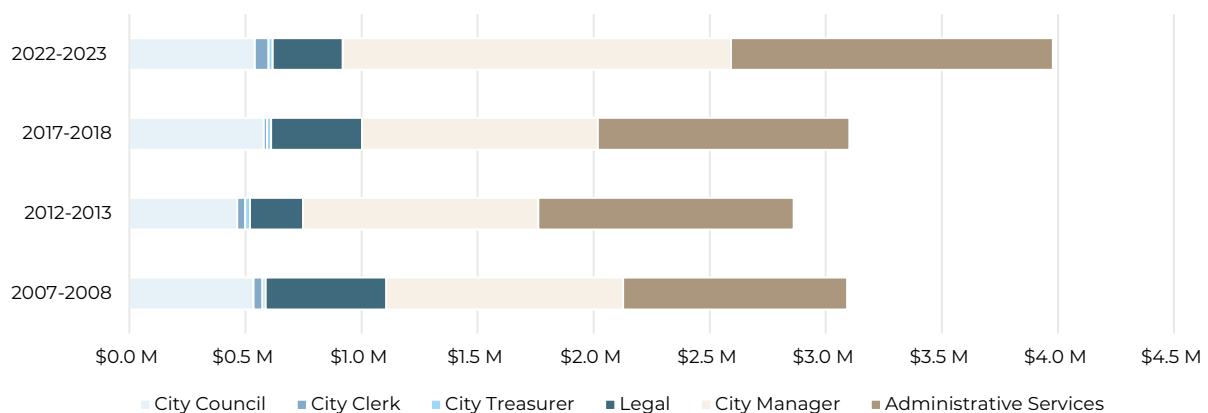
Figure 3-22: General Fund Expenditures by Percentage (FY 2022/23)



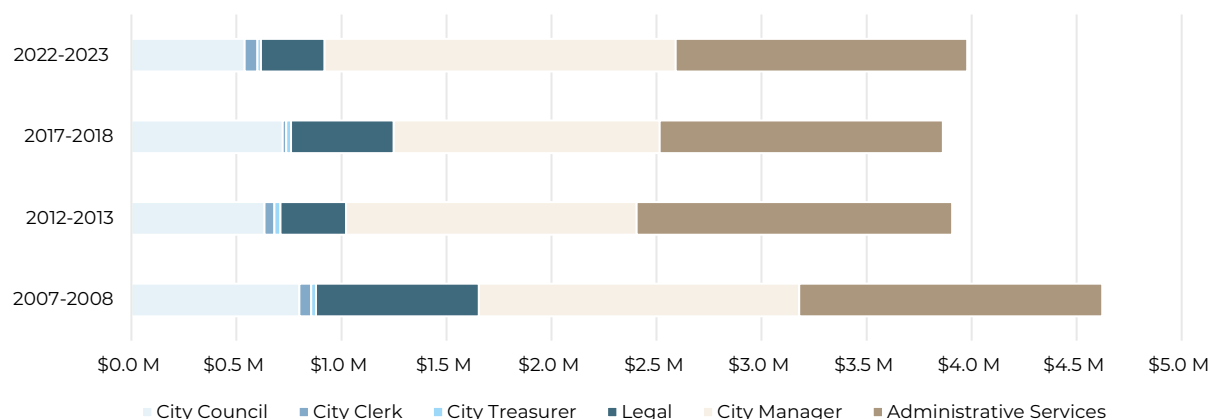
### General Government

General Government costs account for 12.9 percent of expected General Fund expenditures as shown in **Figure 3-22** and have been relatively stable for FY 2012/13, 2017/18, and FY2022/23, particularly when analyzed in Constant 2022 dollars. These costs include City Council, City Clerk, City Treasurer, City Manager, Legal Services, and Administrative Services. From a fiscal sustainability perspective, Administrative or managerial services (e.g., City Manager, City Clerk) do not vary significantly with marginal increases in population or employment and generally exhibit economies of scale (i.e., even with substantial changes in population, the City would only have one City Manager or one City Clerk). However, a significant amount of new development, new capital projects, and/or new services can generate demand for additional support services. It is not anticipated that implementation of the General Plan Update will materially affect Administration expenditures.

Figure 3-23: City of Atascadero General Government Expenditures (Nominal Dollars)



**Figure 3-24: City of Atascadero General Government Expenditures (Constant 2022 Dollars)**



### Public Safety

Public Safety in Atascadero is primarily the responsibility of the City’s Police and the Fire and Emergency Services Departments. Public Safety is a majority of General Fund expenditures and is expected to be 57.3 percent of the adopted 2022/23 budget as shown in **Figure 3-18**. In nominal terms, Public Safety costs increased by 3.7 percent annually over the past 15 years. This increase coincides with an observed rise in calls for service. From 2007 to 2019, Police calls for service rose by 1.2 percent annually while calls to the Fire and Emergency Service increased annually by 2.0 percent.

The Police Department is responsible for crime prevention, maintaining public order and safety, and enforcing the law. Between 2018 and 2021, the Department had 41 full time employees and requested additional budget in FY 2021/2122 and FY 2022/23 to expand the number of officers to 47. The Fire and Emergency Services Department responds to fire emergencies within the City and has multiple mutual aid agreements allowing the Department to respond to neighboring areas in the County and allowing other jurisdictions to provide support in Atascadero if needed. Additionally, the Department responds to requests for medical assistance, vehicle traffic collisions, hazardous materials incidents, technical rescues, and public service assists. The department has ranged from 21.25 to 22 full-time employees over the past six budget cycles. Public Safety expenditures also include police and fire department programs/grants which differ from year to year.

Both departments have been historically underfunded relative to best practices and national norms, and while revenues from the passage of Measure D-20 are helping the departments address operational gaps, costs to the department continue to rise (e.g., rising personnel costs, safety redundancy requirements, rise in mental health and overdosing calls for service). Additionally, there is still the need for a planned public safety facility that would house both departments and allow for comprehensive communication system upgrades. The Fire Department also envisions that at some point during buildout of the General Plan, a third fire station in the 101/Del Rio region will be needed to ensure appropriate response times throughout the City.

### Police and Fire Safety Expenditure Implications of Land Use Decisions

Based on interviews with Fire and Police, the cost to the City of providing public safety services are most tied to land use and population density and somewhat associated with development location. For example, a multifamily building housing multiple households or a care facility with a concentration of older residents will generate higher calls for service and cost more to serve than a single-family home housing one household. Similarly, low density commercial land uses are less likely to generate calls for service than high density land uses such as industrial space versus well-trafficked retail centers. Additionally, higher density developments require additional staff to secure the scene and prevent potential disruptions from crowds.

The location of development is also a cost consideration for public safety. The City of Atascadero can be geographically divided into two distinct service areas. The first is the urban core, which includes the regions adjacent to Highway 101. The second area includes the more remote region situated to the west of the urban core. While the urban core is more efficient to serve due to proximity to the police and fire stations and relative ease of access, this area is also more dense resulting in more calls for service and potentially the need for extra staff. Areas outside the core are less dense and generate fewer calls for service but incur higher travel costs (i.e. wear and tear of the vehicles, engines, gas, etc.) and the additional travel time may mean that responding to a call for service may take more time.

**Figure 3-25: City of Atascadero Public Safety Expenditures (Nominal Dollars)**

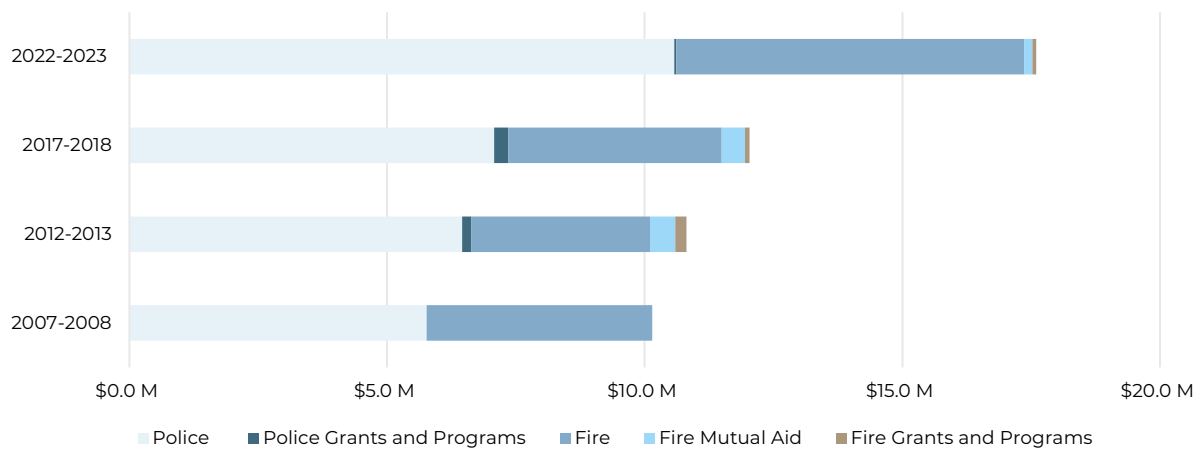
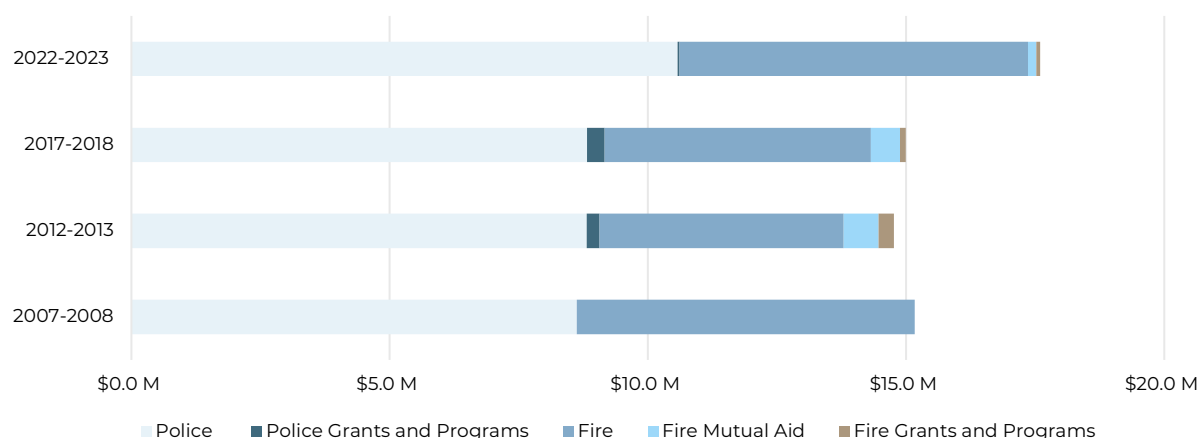


Figure 3-26: City of Atascadero Public Safety Expenditures (Constant 2022 Dollars)



## Public Works

The Public Works Department is responsible for a wide variety of services including capital project planning and design, city facility maintenance, Community Development Block Grants, development review, inspection services, park maintenance, street maintenance, storm drain maintenance, sanitary sewer collection and treatment, traffic engineering, and transit service operations. Public Works expenditures comprise 10.6 percent of the adopted General Fund Expenditure Budget for FY 2022/23 as shown in **Figure 3-18**.

### *Public Works Expenditure Implications of Land Use Decisions*

There are annual operations and maintenance expenses associated with the City's infrastructure. As part of the General Plan update, there are likely going to be new infrastructure improvements required in order to meet the needs of the City going forward. Beyond the one-time capital investments, maintaining infrastructure is costly. Deferred and ongoing maintenance of existing infrastructure must be considered in addition to future costs of new infrastructure.

Like Public Safety, fiscal costs for the Public Works Department will be determined by land use and location of development. As an example, parks with more passive recreation areas have a lower cost per acre than areas with intensive landscaping and recreational facilities (e.g., ball fields and play structures). In addition, parks can generate user fees, which may offset some costs, although these rarely fully offset operation and maintenance costs.

Geographically, costs are likely to be lower for infill development east of the urban core as there is existing infrastructure to service new development, though the infrastructure may need to be expanded to serve new or more dense uses. For example, an existing low-rise retail shop that is being replaced with a higher-density residential building will have higher costs for the Public Works department as it increases the service population and the intensity of demand for utilities. It is also expected that new development west of the urban core will have higher costs and require new or expanded infrastructure as the geography is less urbanized.



Figure 3-27: City of Atascadero Public Works Expenditures (Nominal Dollars)

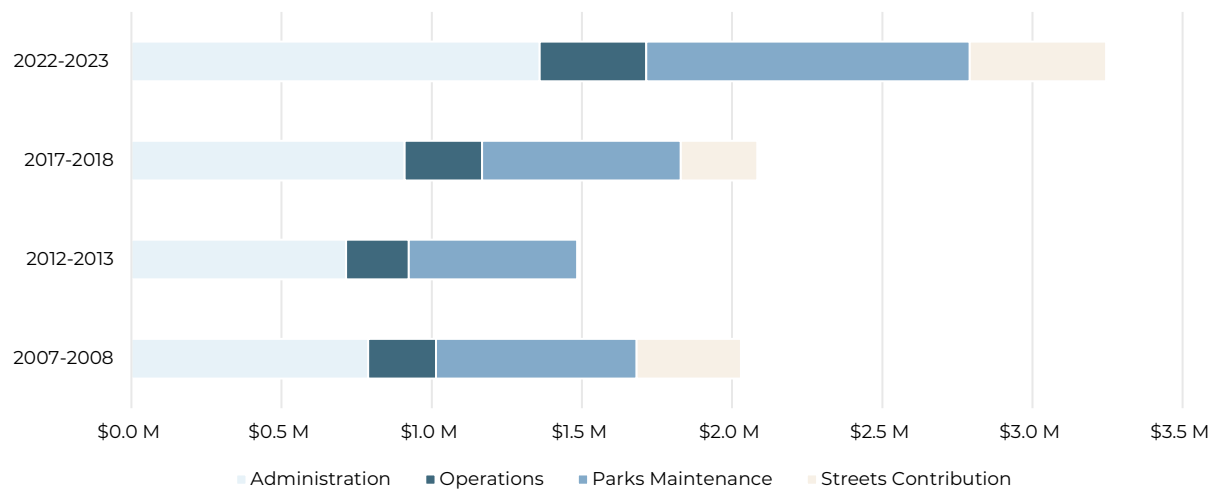
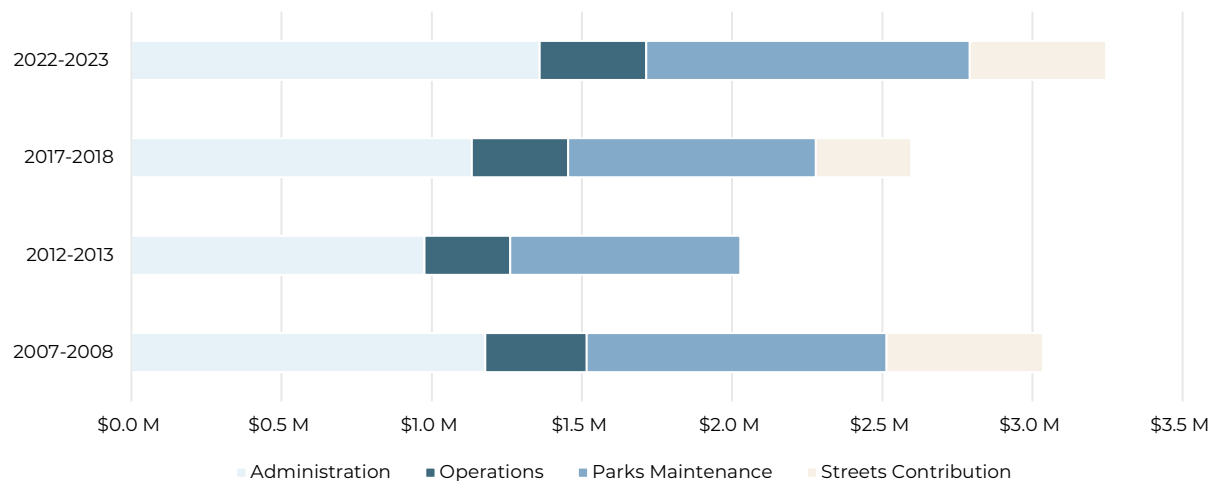


Figure 3-28: City of Atascadero Public Works Expenditures (Constant 2022 Dollars)



## Community Services

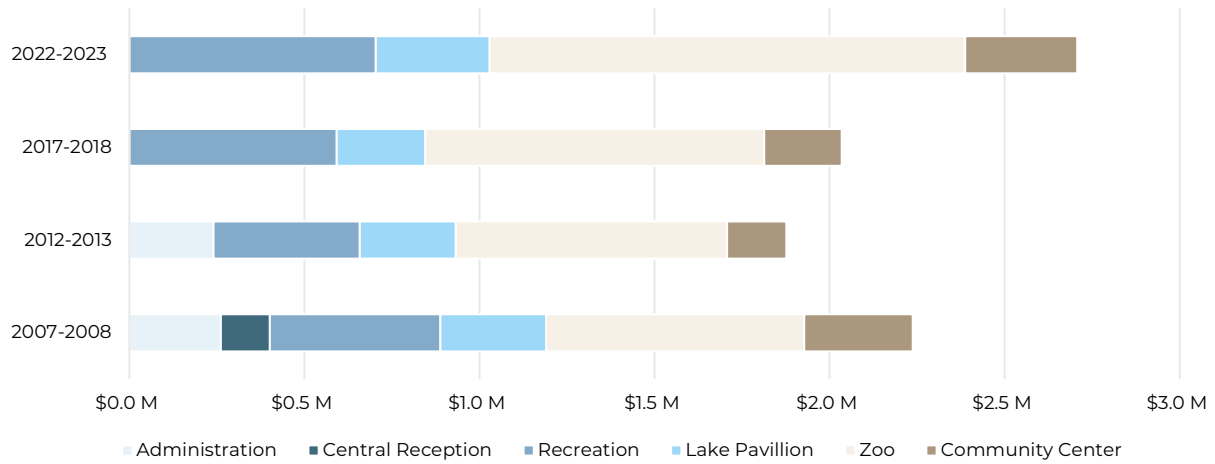
A portion of the City’s General Fund budget is dedicated to ‘Community Services’ which include 11.0 staff members who are responsible for providing and facilitating recreation programs and maintaining community recreation spaces such as the Community Center, Lake Pavilion, and the Colony Park Community Center. The department’s General Fund expenditure budget makes up approximately 9.0 percent of the adopted 2022/23 budget as shown in **Figure 3-18**.

### *Community Services Expenditure Implications of Land Use Decisions*

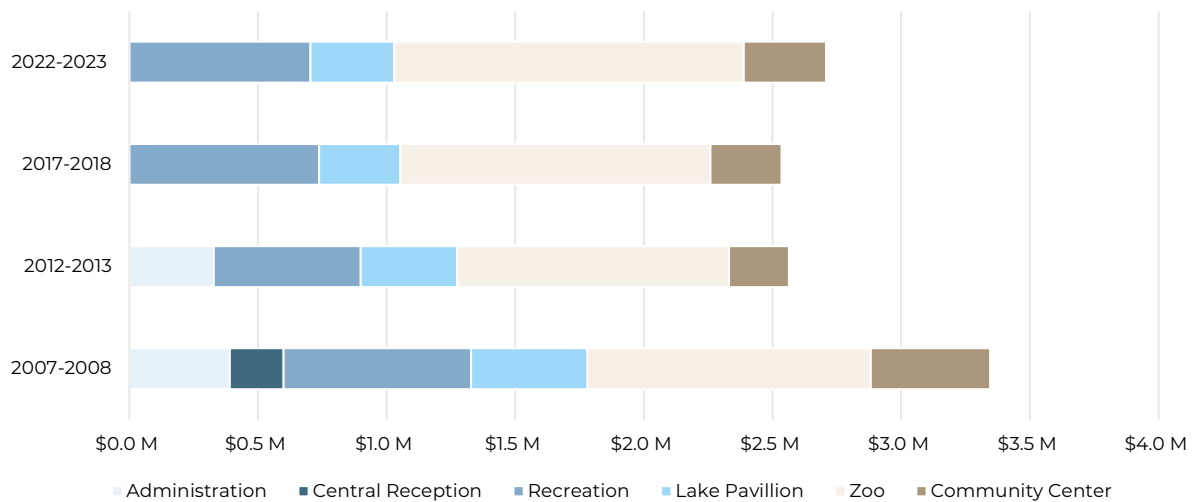
Fiscal expenditures for community services are likely to increase with new residential development as net new residents will seek out recreational activities. Costs associated for commercial development such as office and industrial space will likely generate lower costs

as employees who commute into the City for work are less likely to seek out recreational services at their place of employment as opposed to their place of residence, if at all.

**Figure 3-29: City of Atascadero Community Service Expenditures (Nominal Dollars)**



**Figure 3-30: City of Atascadero Community Service Expenditures (Constant 2022 Dollars)**



### Other Expenditures

There are some costs that are generally recoverable through fees charged at the time of service and are therefore fiscally neutral. The Community Development Department is mainly responsible for reviewing or inspecting new construction (i.e., Planning Services, Building Services, and Permit Center), supporting local businesses/ industries and managing the City's Central Reception Services. However, it is important to note that many of the Community and Economic Development fees and charges are currently subsidized including most development impact fees such as wastewater capacity charges and other unfunded State mandates. The City is in the process of updating existing impact fees.

## CAPITAL IMPROVEMENT PLAN AND OTHER EXISTING FUNDING MECHANISMS

The City of Atascadero has a 5-year Capital Improvement Plan (CIP) which lists construction, improvement, and repair projects needed within the City. Though some projects have planned funding sources and are budgeted within the CIP, the City's capital needs far exceed the available funding, leaving many projects unfunded. With respect to the General Plan Update, desired and/or needed capital improvements should be considered in the context of the City's current list of capital improvements, current priorities, and funding potential.

Funding for projects are allocated from Measure F-14, Impact Fees, Local Transportation Funds, Local/State/Federal Grant Funds, and other City Funds such as the Capital Projects Fund.<sup>24</sup> The city also leverages impact fees for new development, though the fees have only been indexed annually and the capital projects reflected in the nexus study have not been updated since 2008.

The City has also formed several neighborhood assessment districts for streets and storm drain maintenance and landscape and lighting maintenance. However, these districts are generally older and fees collected do not fill the funding gap for Citywide projects. In May 2005, the City formed a Citywide Community Facilities District (CFD 2005-1) in order to mitigate the impact to the City of providing police services, fire protection and suppression services, as well as park services to new developments in various areas of the City. The City intends to annex properties into the District as new developments are approved. For fiscal Year 2021/2022, the CFD levied a total of \$621,700. Most of the fund is transferred out to the General Fund for personnel hired to accommodate increases in the population served.

As part of the General Plan update, implementation considerations, including infrastructure financing, will be addressed.

---

<sup>24</sup> In November 2014, Atascadero voters approved Sales Tax Measure F-14, increasing the City sales tax rate by 0.5% for a term of 12 years. The funds are primarily used for road maintenance. The funds are separated from the General Fund within the City Budget as the funds are not used for City operations.

## 3.4 Appendix A: General Fund Revenue Budget (Nominal Dollars)

Table A-1: City of Atascadero General Fund Revenue Budget (Nominal Dollars)

ITEM	GENERAL FUND REVENUES (NOMINAL DOLLARS)				AVG. ANNUAL % CHANGE
	2007-2008 (Actual)	2012-2013 (Actual)	2017-2018 (Actual)	2022-2023 (Adopted)	
<b>Population</b>	<b>27,662</b>	<b>28,572</b>	<b>30,379</b>	<b>30,480</b>	<b>0.6%</b>
<b>General Fund Revenues</b>					
Taxes	\$12,680,055	\$14,596,260	\$16,702,662	\$24,790,370	4.6%
Property Taxes	\$7,511,885	\$6,943,125	\$9,039,986	\$11,062,990	2.6%
Current Year Secured	\$5,420,342	\$5,112,829	\$6,692,918	\$8,152,670	2.8%
RDA Pass Through	-\$544,350	-\$458,099	-\$688,050	-\$951,180	3.8%
Property Tax In Lieu of VLF	\$2,241,687	\$2,111,702	\$2,738,603	\$3,417,530	2.9%
Current Year Unsecured	\$132,713	\$129,579	\$149,214	\$273,970	5.0%
Current Year Supplemental	\$266,793	\$67,138	\$155,327	\$170,000	-3.0%
Prior Year Secured and Unsecured	-\$5,770	-\$17,611	-\$6,978	\$0	n/a
Property Tax Penalties and Interest	\$470	-\$2,449	-\$1,048	\$0	n/a
Other	\$0	\$36	\$0	\$0	n/a
RPTTF Distributions	\$0	\$2,374,020	\$759,176	\$527,500	n/a
Sales Tax	\$3,547,696	\$3,295,061	\$4,058,583	\$4,654,950	1.8%
Sales Tax Measure D-20	\$0	\$0	\$0	\$5,430,000	n/a
Other Taxes	\$1,620,474	\$1,984,054	\$2,844,917	\$3,114,930	4.5%
Franchise Fees	\$956,931	\$1,009,974	\$1,099,534	\$1,255,480	1.8%
Transient Occupancy Tax	\$407,609	\$703,990	\$1,376,498	\$1,490,830	9.0%
Property Transfer Tax	\$98,109	\$117,629	\$197,978	\$160,000	3.3%
Business License Tax	\$157,825	\$152,461	\$170,907	\$177,140	0.8%
Cannabis Tax	\$0	\$0	\$0	\$31,480	n/a
Charges for Services	\$2,418,677	\$2,576,141	\$2,354,719	\$2,068,210	-1.0%
Other Revenues	\$1,503,064	\$2,015,170	\$1,704,935	\$2,123,560	2.3%
Permits & Fees	\$275,622	\$404,420	\$472,398	\$700,550	6.4%
Revenues from Other Agencies	\$848,960	\$370,694	\$456,680	\$211,540	-8.8%
Fines and Forfeitures	\$127,764	\$60,418	\$87,647	\$61,600	-4.7%
Revenues from Use of Money	\$467,963	\$51,961	\$9,741	\$61,000	-12.7%
<b>Total General Fund Revenues</b>	<b>\$18,322,105</b>	<b>\$20,075,064</b>	<b>\$21,788,782</b>	<b>\$30,016,830</b>	<b>3.3%</b>

Sources: City of Atascadero Budget FY 2007/08, 2012/13, 2017/18, 2022/23; Department of Finance

Table A-2: City of Atascadero General Fund Revenue Budget (Constant 2022 Dollars)

ITEM	GENERAL FUND REVENUES (CONSTANT 2022 DOLLARS)				AVG. ANNUAL % CHANGE
	2007-2008 (Actual)	2012-2013 (Actual)	2017-2018 (Actual)	2022-2023 (Adopted)	
<b>Population</b>	<b>27,662</b>	<b>28,572</b>	<b>30,379</b>	<b>30,480</b>	<b>0.6%</b>
<b>General Fund Revenues</b>					
Taxes	\$18,957,587	\$19,930,538	\$20,804,662	\$24,790,370	1.8%
Property Taxes	\$11,230,804	\$9,480,526	\$11,260,112	\$11,062,990	-0.1%
Current Year Secured	\$8,103,798	\$6,981,339	\$8,336,629	\$8,152,670	0.0%
RDA Pass Through	-\$813,842	-\$625,514	-\$857,028	-\$951,180	1.0%
Property Tax In Lieu of VLF	\$3,351,482	\$2,883,434	\$3,411,175	\$3,417,530	0.1%
Current Year Unsecured	\$198,415	\$176,934	\$185,859	\$273,970	2.2%
Current Year Supplemental	\$398,875	\$91,674	\$193,474	\$170,000	-5.5%
Prior Year Secured and Unsecured	-\$8,627	-\$24,047	-\$8,692	\$0	n/a
Property Tax Penalties and Interest	\$703	-\$3,344	-\$1,305	\$0	n/a
Other	\$0	\$49	\$0	\$0	n/a
RPTTF Distributions	\$0	\$3,241,618	\$945,622	\$527,500	n/a
Sales Tax	\$5,304,059	\$4,499,258	\$5,055,329	\$4,654,950	-0.9%
Sales Tax Measure D-20	\$0	\$0	\$0	\$5,430,000	n/a
Other Taxes	\$2,422,724	\$2,709,137	\$3,543,599	\$3,114,930	1.7%
Franchise Fees	\$1,430,680	\$1,379,074	\$1,369,568	\$1,255,480	-0.9%
Transient Occupancy Tax	\$609,405	\$961,267	\$1,714,552	\$1,490,830	6.1%
Property Transfer Tax	\$146,680	\$160,617	\$246,599	\$160,000	0.6%
Business License Tax	\$235,960	\$208,179	\$212,880	\$177,140	-1.9%
Cannabis Tax	\$0	\$0	\$0	\$31,480	n/a
Charges for Services	\$3,616,095	\$3,517,605	\$2,933,013	\$2,068,210	-3.7%
Other Revenues	\$2,247,188	\$2,751,624	\$2,123,649	\$2,123,560	-0.4%
Permits & Fees	\$412,075	\$552,217	\$588,414	\$700,550	3.6%
Revenues from Other Agencies	\$1,269,256	\$506,166	\$568,836	\$211,540	-11.3%
Fines and Forfeitures	\$191,016	\$82,498	\$109,172	\$61,600	-7.3%
Revenues from Use of Money	\$699,638	\$70,950	\$12,133	\$61,000	-15.0%
<b>Total General Fund Revenues</b>	<b>\$27,392,855</b>	<b>\$27,411,599</b>	<b>\$27,139,880</b>	<b>\$30,016,830</b>	<b>0.6%</b>

Sources: City of Atascadero Budget FY 2007/08, 2012/13, 2017/18, 2022/23; Department of Finance; Bureau of Labor Statistics, CPI for Western Urban Areas

Table A-3: City of Atascadero General Fund Expenditure Budget (Nominal)

ITEM	GENERAL FUND EXPENDITURES (NOMINAL DOLLARS)				AVG. ANNUAL % CHANGE
	2007-2008 (Actual)	2012-2013 (Actual)	2017-2018 (Actual)	2022-2023 (Adopted)	
<b>Population</b>	<b>27,662</b>	<b>28,572</b>	<b>30,379</b>	<b>30,480</b>	<b>0.6%</b>
<b>General Fund Expenditures</b>					
<b>General Government</b>	\$3,091,358	\$2,861,860	\$3,101,495	\$3,978,900	1.7%
City Council	\$534,903	\$464,210	\$578,441	\$539,860	0.1%
City Clerk	\$37,938	\$34,872	\$13,606	\$59,720	3.1%
City Treasurer	\$14,538	\$20,816	\$17,984	\$17,310	1.2%
Legal	\$518,941	\$228,631	\$392,166	\$302,710	-3.5%
City Manager	\$1,020,125	\$1,012,439	\$1,016,419	\$1,671,610	3.3%
Administrative Services	\$964,913	\$1,100,892	\$1,082,879	\$1,387,690	2.5%
<b>Public Safety</b>	\$10,145,858	\$10,811,787	\$12,036,870	\$17,597,090	3.7%
Police	\$5,766,915	\$6,456,377	\$7,081,445	\$10,575,310	4.1%
Police Grants and Programs	\$0	\$181,131	\$273,351	\$38,500	n/a
Fire	\$4,378,943	\$3,464,411	\$4,139,798	\$6,746,660	2.9%
Fire Mutual Aid	\$0	\$493,911	\$453,376	\$162,440	n/a
Fire Grants and Programs	\$0	\$215,957	\$88,900	\$74,180	n/a
<b>Community and Economic Development</b>	\$1,655,360	\$1,488,108	\$1,625,661	\$3,208,250	4.5%
Community and Economic Development	\$1,655,360	\$1,408,535	\$1,536,280	\$2,721,070	3.4%
Central Reception	\$0	\$79,573	\$89,381	\$174,120	n/a
Economic & Business Development	\$0	\$0	\$0	\$313,060	n/a
<b>Community Services</b>	\$2,237,796	\$1,876,645	\$2,034,714	\$2,707,300	1.3%
Administration	\$261,334	\$240,416	\$0	\$0	n/a
Central Reception	\$139,722	\$0	\$0	\$0	n/a
Recreation	\$487,599	\$417,948	\$592,333	\$703,950	2.5%
Lake Pavilion	\$302,509	\$273,806	\$253,137	\$325,430	0.5%
Zoo	\$736,077	\$774,899	\$967,419	\$1,357,720	4.2%
Community Center	\$310,555	\$169,576	\$221,825	\$320,200	0.2%
<b>Public Works</b>	\$2,029,967	\$1,484,448	\$2,084,126	\$3,244,980	3.2%
Administration	\$788,074	\$714,332	\$909,666	\$1,358,900	3.7%
Operations	\$225,896	\$209,113	\$257,777	\$355,310	3.1%
Parks Maintenance	\$667,817	\$561,003	\$661,740	\$1,077,460	3.2%
Streets Contribution	\$348,180	\$0	\$254,943	\$453,310	1.8%
<b>Other Uses</b>	\$309,145	\$11,710	\$38,794	\$0	n/a
<b>Total Expenditures</b>	<b>\$19,469,484</b>	<b>\$18,534,558</b>	<b>\$20,921,660</b>	<b>\$30,736,520</b>	<b>3.1%</b>

Sources: City of Atascadero Budget FY 2007/08, 2012/13, 2017/18, 2022/23; Department of Finance

Table A-4: City of Atascadero General Fund Expenditure Budget (Constant 2022 Dollars)

ITEM	GENERAL FUND EXPENDITURES (CONSTANT 2022 DOLLARS)				AVG. ANNUAL % CHANGE
	2007-2008 (Actual)	2012-2013 (Actual)	2017-2018 (Actual)	2022-2023 (Adopted)	
<b>Population</b>	<b>27,662</b>	<b>28,572</b>	<b>30,379</b>	<b>30,480</b>	<b>0.6%</b>
<b>General Fund Expenditures</b>					
<b>General Government</b>	\$4,621,801	\$3,907,741	\$3,863,190	\$3,978,900	-1.0%
City Council	\$799,718	\$633,858	\$720,500	\$539,860	-2.6%
City Clerk	\$56,720	\$47,616	\$16,947	\$59,720	0.3%
City Treasurer	\$21,735	\$28,423	\$22,401	\$17,310	-1.5%
Legal	\$775,854	\$312,185	\$488,478	\$302,710	-6.1%
City Manager	\$1,525,160	\$1,382,440	\$1,266,041	\$1,671,610	0.6%
Administrative Services	\$1,442,614	\$1,503,219	\$1,348,823	\$1,387,690	-0.3%
<b>Public Safety</b>	\$15,168,782	\$14,763,010	\$14,993,000	\$17,597,090	1.0%
Police	\$8,621,950	\$8,815,893	\$8,820,574	\$10,575,310	1.4%
Police Grants and Programs	\$0	\$247,326	\$340,483	\$38,500	n/a
Fire	\$6,546,832	\$4,730,498	\$5,156,489	\$6,746,660	0.2%
Fire Mutual Aid	\$0	\$674,413	\$564,720	\$162,440	n/a
Fire Grants and Programs	\$0	\$294,880	\$110,733	\$74,180	n/a
<b>Community and Economic Development</b>	\$2,474,881	\$2,031,945	\$2,024,906	\$3,208,250	1.7%
Community and Economic Development	\$2,474,881	\$1,923,291	\$1,913,574	\$2,721,070	0.6%
Central Reception	\$0	\$108,653	\$111,332	\$174,120	n/a
Economic & Business Development	\$0	\$0	\$0	\$313,060	n/a
<b>Community Services</b>	\$3,345,665	\$2,562,475	\$2,534,419	\$2,707,300	-1.4%
Administration	\$390,713	\$328,277	\$0	\$0	n/a
Central Reception	\$208,894	\$0	\$0	\$0	n/a
Recreation	\$728,995	\$570,689	\$737,804	\$703,950	-0.2%
Lake Pavilion	\$452,273	\$373,870	\$315,305	\$325,430	-2.2%
Zoo	\$1,100,488	\$1,058,090	\$1,205,007	\$1,357,720	1.4%
Community Center	\$464,302	\$231,548	\$276,303	\$320,200	-2.4%
<b>Public Works</b>	\$3,034,946	\$2,026,947	\$2,595,966	\$3,244,980	0.4%
Administration	\$1,178,227	\$975,388	\$1,133,070	\$1,358,900	1.0%
Operations	\$337,731	\$285,534	\$321,084	\$355,310	0.3%
Parks Maintenance	\$998,434	\$766,024	\$824,256	\$1,077,460	0.5%
Streets Contribution	\$520,554	\$0	\$317,554	\$453,310	-0.9%
<b>Other Uses</b>	\$462,194	\$15,989	\$48,321	\$0	n/a
<b>Total Expenditures</b>	<b>\$29,108,268</b>	<b>\$25,308,107</b>	<b>\$26,059,802</b>	<b>\$30,736,520</b>	<b>0.4%</b>

Sources: City of Atascadero Budget FY 2007/08, 2012/13, 2017/18, 2022/23; Department of Finance; Bureau of Labor Statistics, CPI for Western Urban Areas

## 3.5 Sources

### REPORTS AND DATA

California Department of Finance, 2022.

California Department of State Hospitals, Atascadero, 2022.

City of Atascadero, Budget for Fiscal Years 2007-2008.

City of Atascadero, Budget for Fiscal Years 2012-2013.

City of Atascadero, Budget for Fiscal Years 2021-2023.

CoStar, 2022.

County of San Luis Obispo Auditor Controller's Office, 2022.

Dowell, Earlene K.P., United States Census Bureau, "Remote Working, Commuting Time, Life Events All Affect Home Buyers' Decisions", 2021.

JobsEQ, 2022.

Redfin, 2022.

U.S. Census American Community Survey 5-Year Estimates, 2022.

United States Census Bureau 5-Year Estimates, 2021.

United States Bureau of Labor Statistics, Consumer Price Index for Western Urban Areas, 2022.

United States Census Bureau, Longitudinal Employer-Household Dynamics, 2022.

United States Census Bureau, OnTheMap, 2022.