

Legal Debt Margin

Under section 1418 (Bonded Debt Limit) of the City's Charter, the City shall not incur an indebtedness evidenced by general obligation bonds which shall in the aggregate exceed the sum of fifteen percent (15%) of the total assessed valuation for purposes of City taxation, of all the real and personal property within the City, exclusive of any indebtedness that has been or may hereafter be incurred for the purposes of acquiring, constructing, extending or maintaining municipal utilities for which purpose a further indebtedness may be incurred by the issuance of bonds, subject only to the provisions of the State Constitution⁽¹⁾ and of this Charter.

Legal Debt Margin For Fiscal Year 2019-2020:

Total assessed value	\$ 10,391,986,605
Fifteen percent (15%) of total assessed value	1,558,797,991
Debt applicable to limit:	
General obligation bonds (reported at accreted value)	4,600,000
Less: Amount available in the debt service fund for repayment of bonds	<u>1,418,805</u>
Total net debt applicable to limit	<u>3,181,195</u>
Legal debt margin	<u><u>\$ 1,555,616,796</u></u>

Notes:

1. California Government Code, Section 43605 sets the debt limit at 15% of the total assessed valuation of all real personal property within the City.

2. Total Assessed Value from FY 2020

Sources:

County of Santa Cruz Auditor-Controller's Office

City of Santa Cruz, California FY 2020 Comprehensive Annual Financial Report