

Proposed Vacant Property Tax Community Workshop

Taller comunitarios sobre el propuesto de impuestos para propiedades vacantes

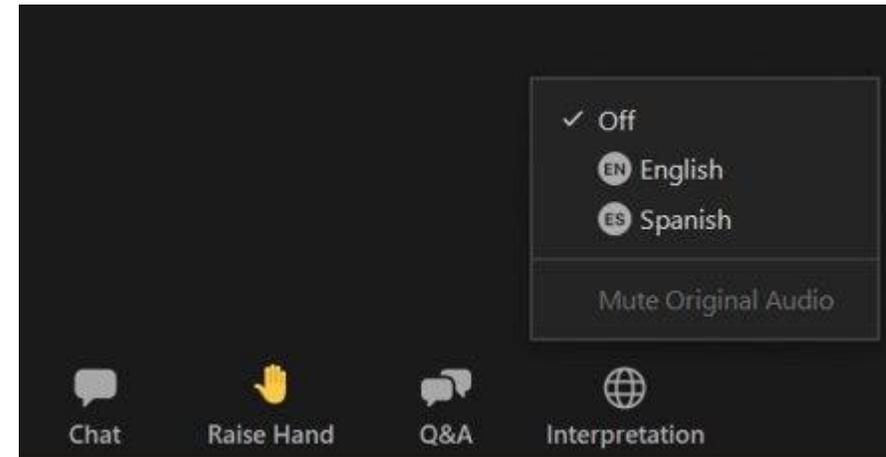
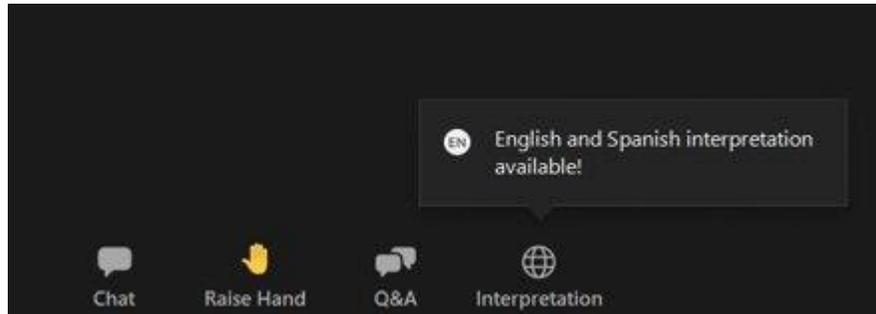
City of Richmond and SCI Consulting Group

July 13, 2021 at 12:00 pm

potentialVPT@ci.richmond.ca.us

(510) 620-6512

Interpretation/Interpretación

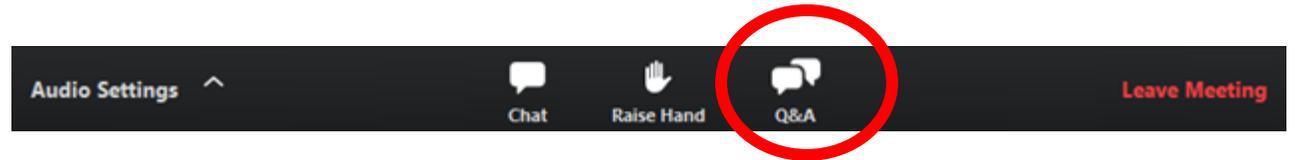


Cambie su preferencia de idioma seleccionando español en el icono de globo "Interpretación" en su pantalla

Please change your language preference by selecting Spanish on the "Interpretation" globe icon on your screen

Virtual Participation- Q & A

- Questions will be answered at the end of the presentation
- Type questions into the Q&A box
- Questions can be asked anonymously or with name included
- Press the “Raise Hand” and wait to be called on to ask a question
- Phone: Press *9 to “Raise your Hand”, *6 to Unmute



Full Video of Presentation:

- This presentation is being recorded and will be posted on www.ci.richmond.ca.us/4122/Potential-Vacant-Property-Tax
- City of Richmond > Departments > Finance > Potential Vacant Property Tax

Project Team

City of Richmond

Shasa Curl – Deputy City Manager, Economic Development

James Atencio- Senior Assistant City Attorney

Lina Velasco – Community Development Director

Samantha Carr – Management Analyst

SCI Consulting Group (Consultants)

Chris Coulter- Senior Consultant

John Bliss- P.E., President

Blair Aas- Director of Planning Services

Tonight's Objectives



Tonight's workshop is to receive community feedback. No decisions will be made tonight on specific property cases or policies.

Background

- The City is evaluating several options to achieve the City's goal of a structurally balanced budget.
- On June 22, 2021, the Richmond City Council approved a second amendment to the contract with SCl Consulting Group to further explore the feasibility of a potential Vacant Property Tax and solicit community feedback.
- Goals:
 - Structurally balanced budget.
 - Actively address blight, abatement, and code compliance.
 - Encourage use and development of vacant properties.
 - Reducing hotspots for blight, crime, and illegal dumping.

Tentative Timeline

Planning

- Jul 7 & 13, 2021: Public Input Sessions
- Fall/Winter 21/22: VPT Ordinance and ballot measure presented to City Council
- Fall/Winter 21/22: (Potential) Council adoption of VPT Ordinance and ballot measure. Local Election Consolidation Senate Bill 152, which addresses local election consolidation with the California Gubernatorial Recall Election, effectively restricts the City from putting the Vacant Parcel Tax on the ballot with the Recall Election this September. Accordingly, the earliest that the City can put this measure on the ballot would be June 2022.
- Jun/Nov 2022: (Potential) City of Richmond voters decide on Richmond Vacant Property Tax ballot measure

Implementation (if approved by voters)

- ~1 year City of Richmond outreach and mail notices to potentially affected property owners.
- ~1.5 years after Ordinance implementation begins adoption
- ~2 years after Tax levies submitted to County Treasurer-Tax Collector for Tax Year adoption

What is a Vacant Property Tax

- VPTs are taxes placed upon un-used and under-used properties. They are collected annually on property tax bills based upon the City-determined vacancy status of the property.
- The general annual collection process involves identifying potentially taxable parcels, communication with the owners of those parcels, and providing specific opportunities for these owners to petition the vacancy determination and apply for an exemption.
- Currently, VPTs are not common but have recently been successfully implemented in Vancouver and Oakland. In both cities, the VPT generates significant revenue but requires considerable parcel research and analysis, administrative resources, and community outreach.

What is a Vacant Parcel?

In use LESS THAN fifty (50) days in a calendar year

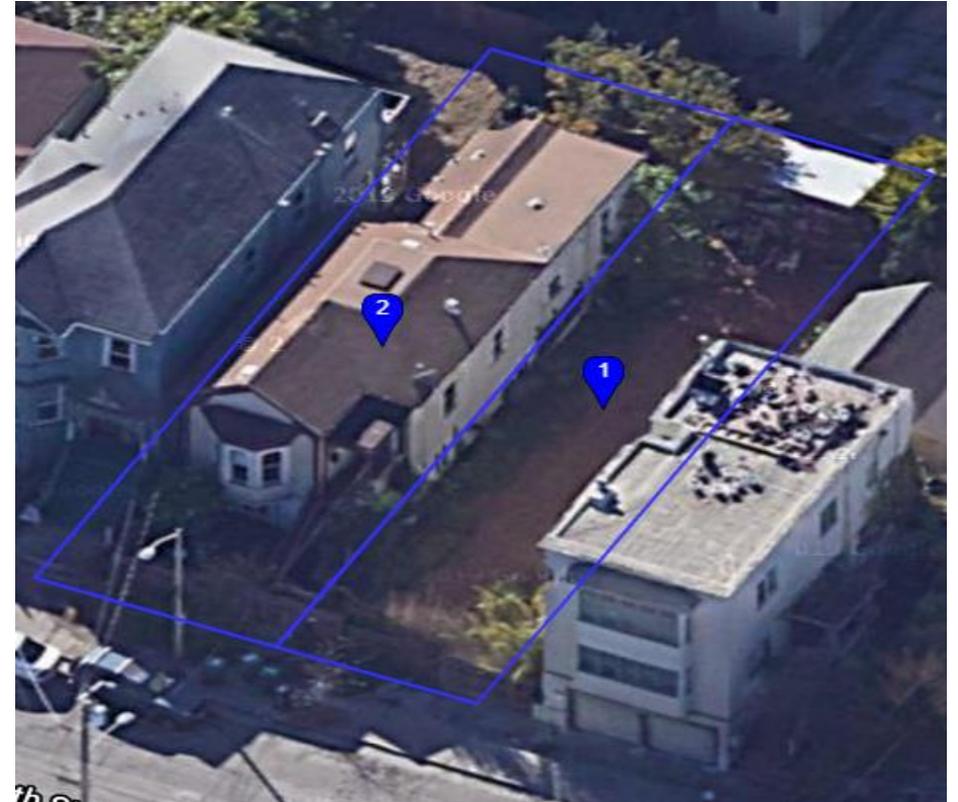
Example Parcels Potentially Subject to Tax:

1. Undeveloped – raw ground
 1. EXCEPT Maintained, contiguous properties owned by same owner (side yard parcels)
 2. EXCEPT Ingress / Egress parcels (driveways)
 2. Residential (Single family, multi-family)
 3. Nonresidential
 4. Condominiums
 5. Parcels where ground floor commercial is allowed but vacant
- The proposed tax ordinance will establish definitions for the use and vacancy status of each parcel of real property in the City. For developed properties 2-5 above, the City is considering the option that blighted properties not in Code Compliance be subject to the tax

Contiguous Parcels

Example Parcels Potentially **Exempt** from the Tax:

1. Undeveloped – raw ground that are:
Maintained, contiguous properties owned by same owner (side yard parcels)



Commercial – Warehouse

Example Parcels Potentially **Subject** to the Tax:

1. Warehouse Building:
 1. Empty, abandoned, and/or non-operational.
 2. In use LESS THAN fifty (50) days in a calendar year



Ground floor Commercial

Example Parcels Potentially **Subject** to the Tax:

1. Residential Building:
 1. Ground floor commercial, Vacant below residential.
 2. In use LESS THAN fifty (50) days in a calendar year



Possible Annual Tax Rates - \$3,000 to \$8,000

Property Type	Annual Maximum Tax Rate		
	Less than 5,000 sq.ft.	5,000 sq.ft – 1 acre	Larger than 1 acre
Undeveloped	\$3,000 per parcel	\$5,000 per parcel	\$8,000 per parcel
Residential	\$3,000 per parcel	\$5,000 per parcel	\$8,000 per parcel
Nonresidential	\$3,000 per parcel	\$5,000 per parcel	\$8,000 per parcel
Condominium	\$3,000 per parcel	\$3,000 per parcel	N/a
Parcel with ground floor commercial activity allowed but vacant	\$3,000 per parcel	\$3,000 per parcel	N/a

* Real property wholly exempt from ad valorem tax not subject to the vacant property tax.

Exemptions

- Very low-income owners (1 person \$35,962; 3 person \$46,237)
- Low-income local senior owners (1 person \$76,750; 3 person \$98,650)
- Non-profit organizations
- Active Development
 - Owners who have submitted active substantially complete application for development project
 - Owners with active entitlement approvals
 - Active Construction
 - Active Building Permit Application

Note – City is considering criteria for approval of exemptions to require property code compliance

More Exemptions

- Owners for whom paying the tax would constitute a financial hardship
- Owners who are unable to develop their parcel due to a demonstrable hardship that is not financial
- Exceptional Physical Circumstances
 - Property not developable due to geologic, soils conditions, contamination, etc.

Questions or Comments?

Public Input Welcome and Appreciated

Written comments can be emailed to: potentialVPT@ci.richmond.ca.us
or call (510) 620-6512, 8:30AM to 5:00PM Mon-Fri
Website: www.ci.richmond.ca.us/4122/Potential-Vacant-Property-Tax

Community Workshop #2

Tuesday, July 13th at 12:00 p.m.

Please register for the workshop at:

https://zoom.us/webinar/register/WN_10G_Qqy6T2KQc38OZuclBg.

* Workshops are to receive community feedback. No decisions will be made tonight on specific property cases, circumstances, or policies