

Empty Home / Vacant Property Tax One Housing Crisis Fix



2023 CSMFO Annual Conference
February 1, 2023, 4:15 p.m.

Today's Panelists

Chris Coulter, Senior Consultant

Blair Aas, Director



Carmen Mac, Revenue Operations
Supervisor



Today's Session



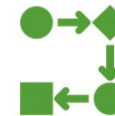
Policy
Objectives



Vacancy Tax
Approaches
and Structure



Case
Studies

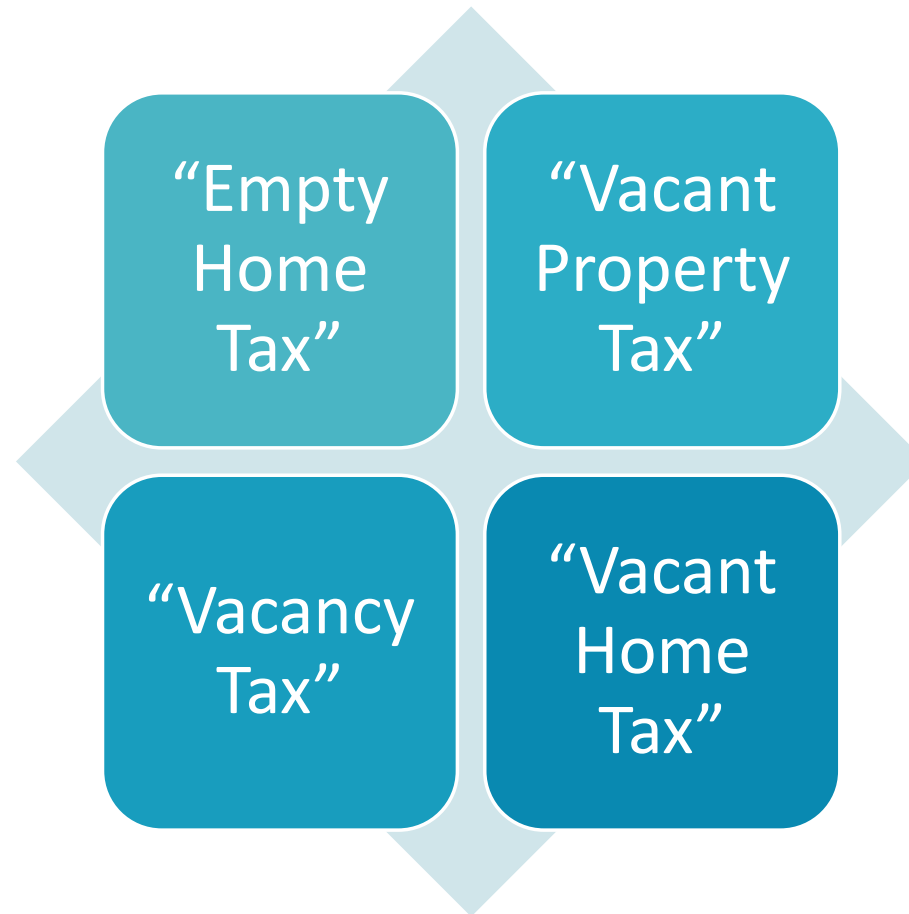


Vacancy Tax Process
(Conception thru
Implementation)



Questions
and
Answers

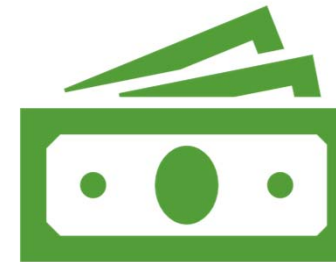
Vacant Property Tax (“VPT”)



Two-Pronged Approach

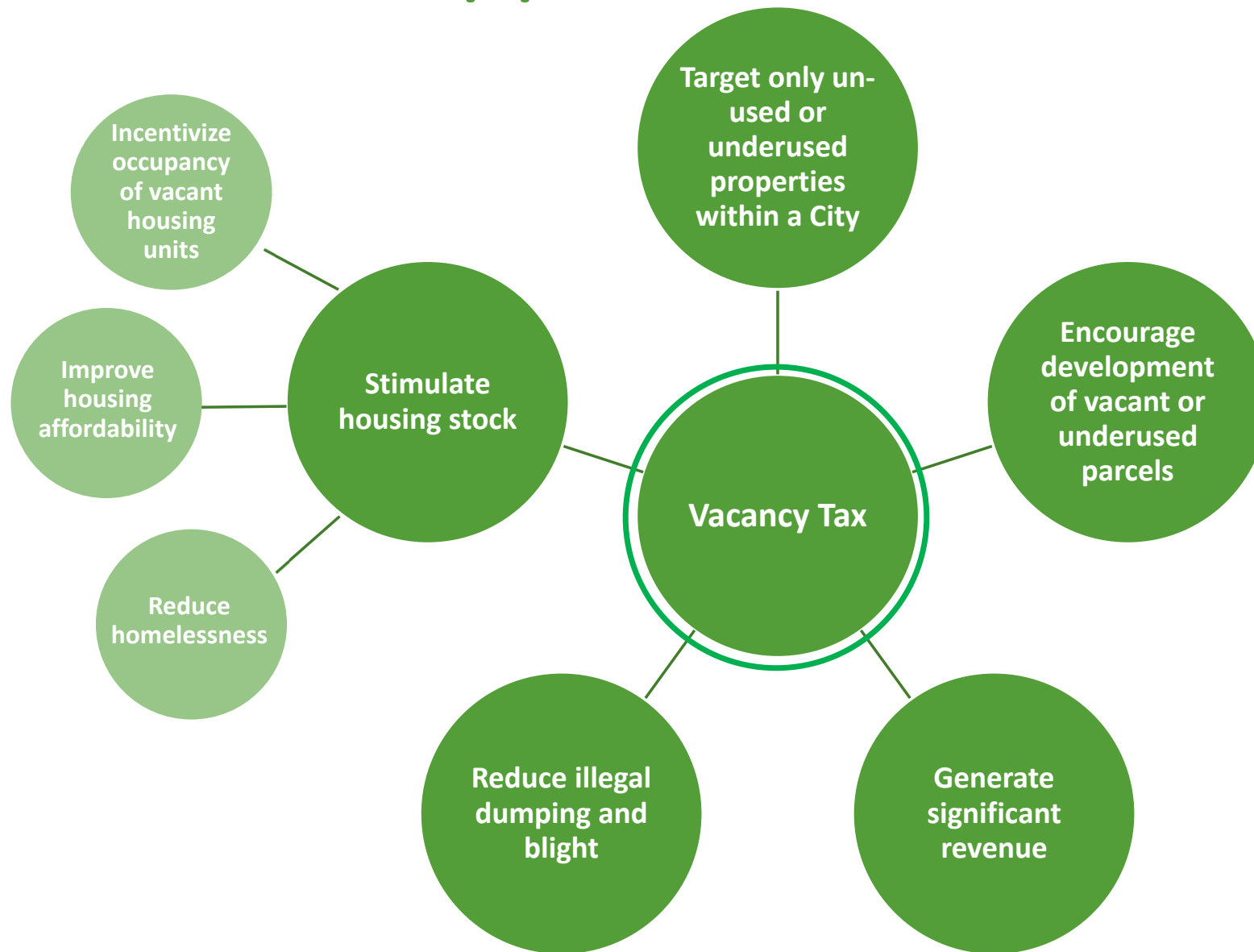


Incentivize Behavior
Modification



Revenue Source

The Potential Appeal of Vacant Property Taxes



Vacant Property Tax Revenue

Potential Uses

Housing Affordability

- Rental subsidies
- Preserve existing affordable housing
- Subsidize new affordable housing

Eliminate blight and improve aesthetics in neighborhoods

- Remedy illegal dumping
- Blighted property clean-up
- Reduce crime through stronger and stricter code enforcement

Support services for people experiencing homelessness

- Transitional Housing
- Medical
- Mental Health

Development Assistance

- For Properties where VPT was imposed

VPTs are levied on parcels determined to be not in-use

Collected annually on County property tax bill based a parcel's vacancy status

General Annual Collection Process:

- Identifying potentially taxable parcels,
- Communicating with property owners,
- Provide opportunities for owners to apply for an exemption or challenge the vacancy status

Require considerable parcel research and analysis, administrative resources, and community outreach for success.

Declaration approach

- Residences used less than X months per year
- Owners must **declare** vacancy status under penalty of perjury
- Percentage of declarations audited annually

Targeted approach

- Parcels used less than XX days per year
- Undeveloped & developed lots (residential, commercial, industrial)
- **Targeted** and notify properties identified as likely subject to tax

VPT Case Studies

Oakland Vacant Property Tax

- Parcels used less than 50 days per year
- Exemptions for Income, hardship and active development

San Francisco Vacancy Tax (Nov 22)

- Residential units used less than 182 days per year (buildings w/ 3+ units)
- Exemption for Non-profits
- Tax ramps up by unit size and # of years kept vacant

Santa Cruz Empty Homes Tax (Nov 22 - Failed)

- Parcels used less than 120 days per year
- All Residential parcels, not undeveloped lots
- Vacancy status by property owner declaration

VPT Case Studies - Oakland

Property Type	Annual Maximum Special Tax Rate
Residential	\$6,000 per vacant parcel
Condominium	\$3,000 per vacant residential unit
Nonresidential (Commercial/Industrial)	\$6,000 per vacant parcel
Parcel with Ground Floor Commercial activity allowed but vacant	\$3,000 per vacant parcel
Undeveloped	\$6,000 per vacant parcel

VPT Case Studies – San Francisco

Vacant Residential Unit	Annual Maximum Tax Rate		
	Less than 1,000 sq.ft.	1,000 sq.ft – 2,000 sq.ft.	Larger than 2,000 sq.ft.
Unit vacant 1 st year	\$2,500 per unit	\$3,500 per unit	\$5,000 per unit
Unit vacant 1 st & 2 nd year	\$5,000 per unit	\$7,000 per unit	\$10,000 per unit
Unit vacant 1 st , 2 nd & 3 rd year	\$10,000 per unit	\$14,000 per unit	\$20,000 per unit

VPT Case Studies – Santa Cruz (Failed)

Property Type	Annual Maximum Special Tax Rate
Residential – 6 or fewer units	\$6,000 per vacant parcel
Condominium / Townhome	\$3,000 per vacant residential unit
Residential unit on parcel with 7+ units	\$6,000 per vacant residential unit

VPT Case Studies – Revenue Use

Oakland Vacant Property Tax

- Homeless services
- Illegal dumping
- Affordable Housing
- Code Enforcement

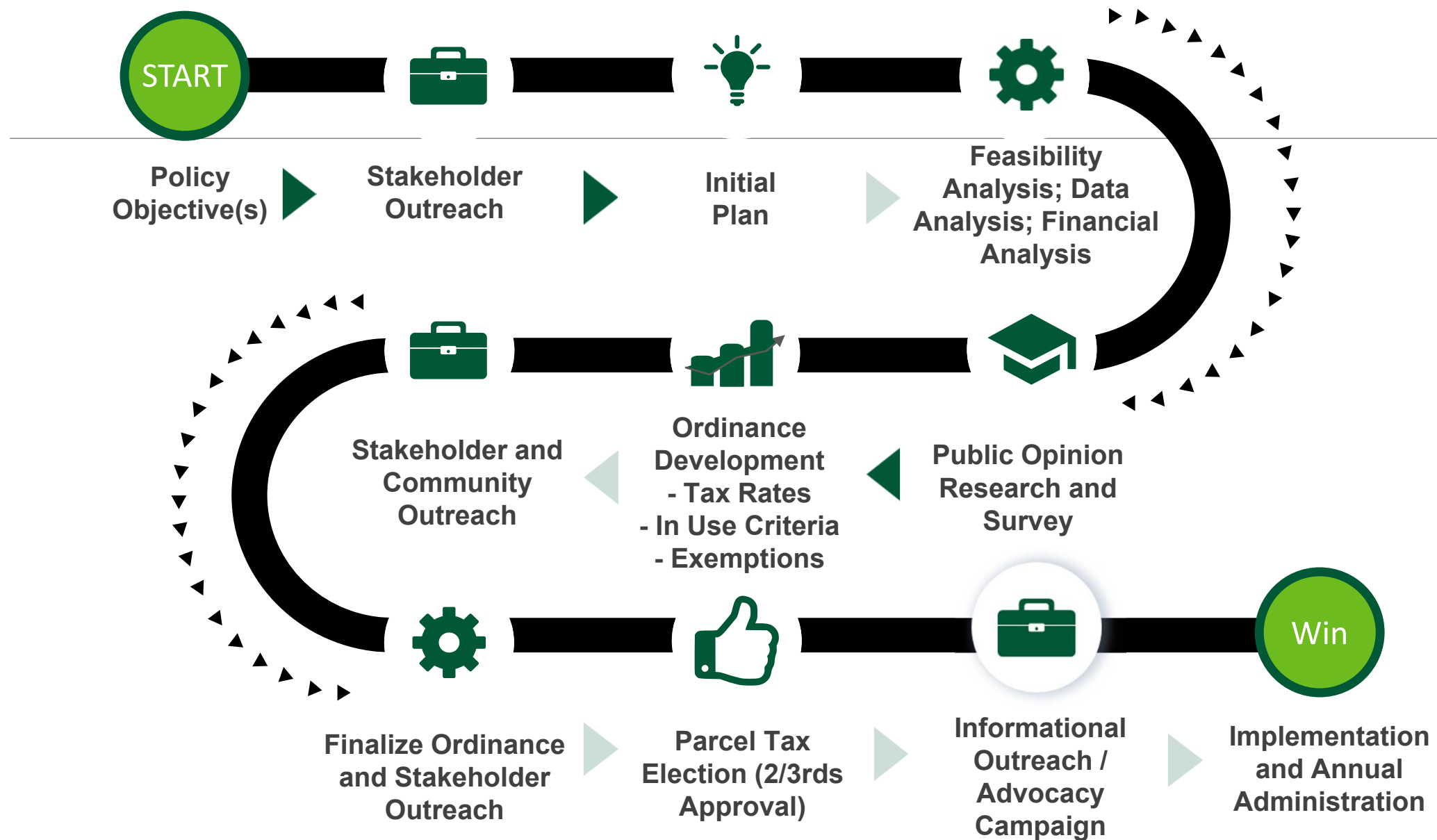
San Francisco Vacancy Tax

- Rental subsidies age 60+ & very low income
- Acquisition for Affordable Housing

Santa Cruz Empty Homes Tax Voter Initiative

- Affordable Housing
 - Finance construction of new affordable housing
 - Purchase existing housing for conversion

Path for a Successful VPT Measure



November 2024 Parcel Tax Election Timeline



