

FINANCIAL ANALYSIS OF VACANT PROPERTY TAX INITIATIVE

Finance Director's Statement on the fiscal impact of the Vacant Property Tax Initiative:

This Ordinance is solely for the purpose of raising revenue necessary to support and fund services for homeless people, affordable housing, blight abatement and other related programs. The proceeds of the parcel tax will be deposited into a special fund restricted for the services and programs specified in the Ordinance because this is a special tax.

Revenue estimates for this tax are based on two categories of parcels: vacant undeveloped parcels (810 properties at \$6,000 each would result in an additional \$4,860,000) and vacant developed parcels (83 properties at \$3,000 each would result in an additional \$249,000).

- Vacant undeveloped parcels are based on a survey conducted by our City of Richmond GIS Services using 2017 Assessor's Office property rolls. The inclusion of properties in the survey was based on these factors: improvements by assessed value, ownership status, and ability to be developed. The tools used to apply those factors in GIS included: Assessor use and tax codes, Assessor Parcel Numbers, 2014 aerial photo imagery, and recorded improvements or structures.
- Vacant developed parcels are purely based on case management records maintained by the City's Code Enforcement division. These property records are the result of Code Enforcement's implementation of the Richmond Municipal Code (RMC) Chap. 6.38 Maintenance and Monitoring of Vacant Dwellings or Buildings, and RMC Chap. 2.63 Foreclosed Residential Properties.

While we estimate that the proposed ordinance could have resulted in additional revenue of \$5.1 million, it is important to note that the number of properties can change dramatically from year to year. Estimates based on current years' activity may not be predictive of future revenues.

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City of Richmond