

THE CALIFORNIA REPORT

# Oakland Voters Appear to Favor State's First Vacant Property Tax, Richmond Poised to Defeat Similar Measure



Homeless advocate Candice Elder, 34, speaks with Dorothy Smith, 65, at an encampment near a vacant lot in Oakland on Aug. 24, 2018. Smith, who raised her children in the city, said her disability benefits are not enough to afford housing. 'It just don't support me,' she said. (Farida Jhabvala Romero/KQED)

*Updated Wednesday, 8:00 a.m.*

Two Bay Area cities look to have different takes on taxing owners of vacant properties to raise money for homeless services, affordable housing and blight cleanup.

The tax of up to \$6,000 per year was on the ballot in both Oakland and Richmond.

With 100 percent of precincts reporting — but with thousands of mail-in ballots still to be counted — Oakland voters were poised to approve Measure W by Wednesday morning. More than 68 percent of votes were in favor of the tax that requires a two-thirds majority to pass.

The balance of Richmond voters approved that city's identical Measure T, but with 100 percent of precincts reporting, the measure appeared to fall about 8 percent short of the supermajority it needs to pass. Similarly, thousands of mail-in ballots remain to be counted.

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The proposed taxes target the owners of residential, commercial and industrial private properties that are in use [fewer than 50 days per year](#), with some exemptions.

If the results hold, Oakland will next need to come up with a more specific definition of "vacant property" before 2020, the earliest the tax could be implemented.

This kind of tax that has not been tried in California before. But proponents point to levies in cities such as Vancouver, British Columbia, and Washington, D.C., as examples of efforts to make properties more productive while raising funds for city services.

Oakland expects to raise up to \$10 million per year from an estimated 4,000 bare lots in the city and a yet unknown number of vacant buildings and homes. Richmond estimated the tax could have yielded **\$5.1 million per year** from nearly 900 vacant properties, most of which are lots without any structures on them.

Supporters praised the taxes as creative incentives to decrease blight and transform vacant properties into homes and businesses.

Critics argued the taxes would be ineffective and could unfairly penalize small-property owners who lack the money to develop their lots or the resources to dispute the new charges. While construction costs can vary significantly based on the size of a project, 1,000 square feet of new construction costs about \$200,000 in Oakland, according to the city's planning and building department.



A boarded-up building on International Boulevard could be subject to an additional tax if Oakland voters approve Measure W. (Anne Wernikoff/KQED)

The Oakland City Council first approved Measure W for the ballot this summer. Richmond followed with a similar proposal to voters a few weeks later.

Exemptions for the tax include low-income property owners and people who are in the process of obtaining permits or building up their properties. In Richmond, lots that are used for community gardens or agriculture wouldn't have been subject to the levy.



Tents in a homeless camp in East Oakland sprawl next to a vacant lot on Aug. 24, 2018. Homeless advocate Candice Elder, 34, said vacant properties dot the area. "A lot of properties were vacant when I was growing up, and they are still vacant now," said Elder, a native of the city. (Farida Jhabvala Romero/KQED)

The population living in encampments on sidewalks and under freeway passes has ballooned in Oakland and Richmond in recent years.

Money from the tax in Oakland is earmarked for sanitation of homeless encampments, navigation centers, job training and emergency rental assistance programs, among other purposes.

Most of the opposition to Measure W in Oakland came from real estate agents and property managers, according to campaign finance records.



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## NEWS

# S.F. Voters Say Yes to Restoring Hotel Tax Funding for Arts and Culture



LISTEN



Members of the Compton Transgender Cultural District community gather to commemorate the anniversary of the Compton Cafeteria Riot in 1966. Cultural districts will receive funding from San Francisco for the first time as a result of the passage of Proposition E. (Courtesy of Sister Roma)

San Francisco voters have overwhelmingly come out in support of a measure that will boost the city's arts and culture scene. Artists and arts organizations are among those that have suffered at the hands of gentrification and the skyrocketing rents in San Francisco in recent decades.

But a sweeping [three-quarters of voters](#) approved [Proposition E](#), which seeks to dedicate 1.5 percent of the base hotel tax — a 14 percent tax levied on hotel stays in the city — to support arts and culture programs. The city estimates this could add more than \$15 million in funding over the next two years.



Proposition E posters appeared all over the city, including on the side of beat-up vans like this one. (Chloe Veltman/KQED)

"San Francisco voters have clearly spoken and said that keeping artists in our city and keeping our neighborhoods unique and special are important investments for public dollars," said San Francisco's director of cultural affairs, Tom DeCaigny.

The cash injection will support a number of existing and new initiatives. These include providing operating support to nonprofit arts groups of all budget sizes, increasing funding to the city's cultural equity endowment, and allocating funding for the first time to the city's cultural districts.

"I am incredibly excited to finally have funding for the Compton Transgender Cultural District," said Honey Mahogany, a San Francisco drag performer, queer rights activist and executive director of the district, one of a

growing number of areas in the city to have received official designation as locations of distinct cultural identity and importance.

"What this really does is it helps build capacity for cultural districts by guaranteeing a stable source of funding so that the core needs of the district can be met: The rent can be paid, staff can be hired and the work of the district can truly begin."

Proposition E isn't a brand-new piece of legislation. Rather, it restores an allocation originally created in 1961 to support the city's cultural industries. The move turned San Francisco into an arts and culture-funding trailblazer for several decades.

*"It will mean that San Francisco can resume pride of place as a national model for enlightened arts support."*

— Kary Schulman, director of Grants for the Arts

But starting in the early 2000s, owing to financial issues, the city gradually reduced the hotel tax funding allocation for the arts, ultimately repealing specific allocations altogether in 2013.

A couple of years ago, a coalition of more than 30 arts and homeless service organizations came together to try to restore the hotel tax funding allocation in a joint measure. But that bid — **Proposition S** — failed to attract the necessary support from voters in the November 2016 election.

This election, more than 100 cultural organizations across the city of all scopes and sizes united to spread the word about Proposition E. And unlike Proposition S, the new measure garnered the support of the city's entire Board of Supervisors.





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"The two-thirds majority vote is difficult for anyone to achieve," said Mahogany. "So I'm really proud of this coalition, that so many different organizations were able to come together to support this cause and get to a victory."

"The passage of Prop. E will mean that Grants for the Arts can again fulfill its longtime pledge to give ongoing general operating support to the broadest array of arts organizations of all disciplines, cultures and budget sizes in all neighborhoods," said Kary Schulman, the longtime director of Grants for the Arts, the main city body that distributes hotel tax funds to cultural groups.

### *Honey Mahogany's Queer Black Variety Show for Everyone*



"It will mean that San Francisco can resume pride of place as a national model for enlightened arts support. And for residents and visitors it will go a long way toward assuring access to arts and culture as creators, students, volunteers and audience members."

Tom DeCaigny said some of the new funding will start to come online as early as next spring.

Before then, he said, the city plans to conduct community meetings and focus groups to figure out how best to use the increased resources.

"We want to ensure that these resources are invested in a way that is responsive not just to the needs of artists, but also to neighbors and residents who are experiencing the wonderful arts and cultural offerings in our neighborhoods," DeCaigny said.

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