



# AGENDA REPORT


**TO:** Jestin D. Johnson  
City Administrator

**FROM:** Erin Roseman  
Director of Finance

**SUBJECT:** SUPPLEMENTAL – Vacant Property  
Tax Administration & Management  
Agreement

**DATE:** February 13, 2025

City Administrator Approval

  
Jestin Johnson (Feb 13, 2025 18:16 PST)

Date: Feb 13, 2025

## **RECOMMENDATION**

### **Staff Recommends The City Council**

- 1. Adopt A Resolution Authorizing The City Administrator To Enter The Professional Services Agreement With SCI Consulting Group For The Administration And Management Of The Vacant Property Tax For A Five-Year Term With An Option To Extend For Two-Years Without Returning To Council For A Total Contract Amount Not To Exceed Two Million Two Hundred Eighty-Three Thousand And Nine Hundred Dollars (\$2,283,900); And**
- 2. Appropriate Seventy-Six Thousand Seven Hundred Twenty-Five Dollars (\$76,725) from the Vacant Property Tax Fund Balance For The Funding Of The First Year Of The Proposed Contract**

## **REASON FOR SUPPLEMENTAL**

During the February 11, 2025 Finance & Management Committee meeting, committee members requested responses to three questions in relation to the Vacant Property Tax program. Below are the questions and responses.

### **Question 1: What is the current Fund Balance in the Vacant Property Tax Fund?**

Combining the beginning audited fund balance of \$2.51 million and the revenue collected through February 11, 2025 of \$5.34 million bring the total available fund at \$7.85 million. Expenditures through February 11, 2025 are at \$6.45 million. Therefore, the net fund balance stands at \$1.43 million.

Vacant Property Tax Fund (2270) (as of February 11, 2025)	FY 2024-25 (in millions)
Beginning Fund Balance – Audited	\$2.51
Revenue	\$5.34
Expenditures	\$6.45
Estimated Current Year Surplus (Shortfall)	\$1.43

**Question 2: What is allowable use of the Vacant Property Fund?**

The 2018 Measure W, the Vacant Property Tax Act, established an annual tax on vacant property for 20 years to raise revenue necessary to support and fund homelessness programs and services, affordable housing, Code Enforcement, and clean-up of blighted properties and illegal dumping. A detailed listing of services and programs that can be funded from the Vacant Property Tax Fund can be found in [Oakland Municipal Code Section 4.56.050](#). Examples of such uses include, but are not limited to:

1. Job training, apprenticeship, pre-apprenticeship, drug treatment, and job readiness assistance programs for homeless people or those at risk of becoming homeless;
2. Assistance connecting homeless people or those at risk of becoming homeless with available services and resources, including assistance applying for housing or public benefit programs;
3. Housing assistance, including the provision of temporary housing or move-in expenses, such as first-month's rent and a security deposit, and emergency rental assistance;
4. Sanitation, bathroom, and cleaning services related to homeless encampments, and programs to supplement remedying and deterring blight and illegal dumping throughout the City;
5. Incentive programs to encourage property owners to make space available for low-income housing, including making funds available for physical improvements to enable a unit to be used for a voucher-based housing program;
6. Relocation assistance funding for low-income households facing displacement;
7. Financial assistance for the design, development, construction or operation of affordable housing units, including housing alternatives such as, without limitation, shipping container homes, accessory dwelling units and small homes.
8. Accessibility support to provide or maintain housing, and make needed improvements for accessibility, for seniors and persons with disabilities; and
9. Displacement prevention, tenant education and assistance, emergency rent assistance; and

10. Navigation centers to provide space for people to stay, along with on-site support services for the homeless. Funding may be used for both capital and operating costs related to navigation centers; and

11. Code enforcement and cleanup of blighted vacant properties, other blight elimination, and remedying illegal dumping, including legal action to address any of the foregoing as necessary, no less than twenty-five (25) percent of the revenue deposited into the vacant parcel tax fund in any single year shall be used to pay for the uses listed in this paragraph.

In addition, the revenue may also be used to pay for the following costs:

- Costs of “audits of the use of monies in the fund.”
- Costs of “election required to obtain approval of the tax”
- Costs of the Commission on Homelessness
- Costs of “administering the special tax, regardless of how or by what entity those administrative services are provided,” up to an annual maximum of fifteen (15) percent.

### **3. What is the timing related to the sending of notices for the Vacant Property Tax program?**

The Vacant Property Tax is assessed in arrears for each calendar year and included in the secured property tax bill for collection by the Alameda County Tax Collector by fiscal year. The sending of the initial notices informing property owners whose properties are likely subject to the tax occurs between the months of February through April. The sending of follow-up notices, reminders and final assessment occurs during the months of May through June. The preparation and coordination with the Alameda County for the placement of Vacant Property Tax assessment on the secured tax roll occurs in the month of July. The sending of the secured property tax bill, including applicable Vacant Property Tax assessment, by the Alameda County occurs in the month of October.

The above-mentioned timeline remains on track for the sending of notices in this calendar year.

**ACTION REQUESTED OF THE CITY COUNCIL**

Staff Recommends The City Council

1. Adopt A Resolution Authorizing The City Administrator To Enter The Professional Services Agreement With SCI Consulting Group For The Administration And Management Of The Vacant Property Tax For A Five-Year Term With An Option To Extend For Two-Years Without Returning To Council For A Total Contract Amount Not To Exceed Two Million Two Hundred Eighty-Three Thousand And Nine Hundred Dollars (\$2,283,900); And
2. Appropriate Seventy-Six Thousand Seven Hundred Twenty-Five Dollars (\$76,725) from the Vacant Property Tax Fund Balance For The Funding Of The First Year Of The Proposed Contract

For questions regarding this report, please contact Sarah Herbelin, Acting Revenue & Tax Administrator, (510) 238-4491.

Respectfully submitted,



[Erin Roseman \(Feb 12, 2025 19:54 EST\)](#)

---

ERIN ROSEMAN  
Director of Finance  
Finance Department