

City of Albany Finance Advisory Committee
 Revenue Enhancement Subcommittee Report (Kerr and Papalia)
 May, 4, 2022

Proposal	Potential Revenue	Potential Expense	Argument in Favor	Argument Against
Vacancy Tax Residential	<p>Potential revenue depends on estimated number of empty dwellings and rate charged. Calculate at 10% of fair market value for rent.</p> <p>Vacancy rate apartments 1.4% Total estimated units empty per month 116 Median rent \$2500x116@10% \$348K</p> <p>Vacancy rate houses 0.4% Total estimated houses empty per month 33 Median rent \$3500x33@10% \$138K</p> <p>Vacancy defined in terms similar to City of Oakland and City of Berkeley ordinances.</p>	Will need administering agency and/or city staff time. Estimate administrative fees at 5%	Housing shortage is aggravated by empty houses and apartments. Property tax revenues from empty properties are assumed to be very low. Having a penalty would encourage either use or sale of property which would bring property taxes in line with current value and generate transfer tax.	Smaller property owners who have 1-2 residential units could be against based on their holdings being not large enough.

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Vacancy Tax Commercial	<p>Potential revenue depends on number of empty storefronts.</p> <p>Including empty parking lots would provide more revenue. Golden Gate fields has acres of open space called parking lots. Can that be considered as vacant commercial property?</p>	Administrative Costs	Solano and San Pablo commercial residents would be motivated to get building rented. Decrease blight.	Businesses already stressed financially
Electronic Billboard	\$100-500K	Administrative fees of less than 5% estimated	City owned property with high visibility from freeways. Maintained by lease agent not city staff.	Light pollution or possible disruption to some residents on west side of Albany Hill

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<p>Sports Betting Initiative Nov 8, 2022 State ballot initiative</p>	<p>See https://ballotpedia.org/California Legalize Sports Betting tax profits on sports betting at 10%-revenue to state-local sales tax to Albany?</p>	<p>As per existing ballot measure</p>	<p>Polling indicates potential support statewide</p>	<p>Per website</p>
<p>University Property Revenue at Sprouts/Belmont Village site</p>	<p>Is this legally possible? Is a deal with UC on fire and police coverage as the City of Berkeley has done more feasible given that they are the lease holders on the commercial property and the housing?</p>	<p>UCB and City of Berkeley signed a binding agreement in 2021 wherein the University pays \$4.1M per year to the city for police support and fire services on its properties. Is a similar agreement possible with Albany as related to university owned lands under lease to commercial enterprises?</p>	<p>TBD</p>	<p>TBD</p>

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<p>Local Tax on Marijuana Dispensary/warehouse/production</p>	<p>California collected about \$817 million in adult-use marijuana tax revenue during the 2020-2021 fiscal year none of that goes to cities who do not have dispensaries. State limits amount returned to local jurisdiction based on the amount of cannabis business within the jurisdiction. Francesco has communicated with Angela Hill, Deputy Director of Cannabis Control California, who states she will provide info on potential revenue for dispensary in Albany</p>	<p>Would require intermediary to collect tax as in SSB tax. What is rate charged for SSB tax admin?</p>	<p>Existing prohibition never went to public for vote. City council did not support default option assigned by state.</p>	<p>TBD</p>
<p>Assess UC Berkeley annually for fire and public works in UC Village and on UC owned/leased property</p>	<p>Determine cost per capita and assess the landowner (UC) for services based on population of UC Village.</p>	<p>Administrative Costs and legal costs of setting up agreement</p>	<p>TBD</p>	<p>TBD</p>

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Progressive Real Estate Transfer Tax	Present transfer tax is 1.5% split 50-50 buyer and seller. Propose 1% for properties under \$900K then 1.5% for \$900K-1.5M Up to 2.5% for properties over 2.5M	Potential impact to high end property transfers	TBD	TBD
Neighborhood parking permits	\$50/year first vehicle with 100/year on second and \$200 on additional or commercial licensed vehicles parking on city streets in neighborhoods who approve of plan	Administrative Costs	Support from active transportation and environmental groups	Opposition from some residents who do not see the value of charging them for what has been free parking