

# **REPORT OF THE CHIEF LEGISLATIVE ANALYST**

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DATE: June 22, 2020

TO: Honorable Members of the City Council

FROM: Sharon M. Tso *Smt80* Council File No. 19-0623  
Chief Legislative Analyst Assignment No. 20-06-0653

SUBJECT: Empty Homes Tax Follow-up

## **SUMMARY**

On June 8, 2020, the Chief Legislative Analyst (CLA) released a report concerning Motion (Bonin, Harris-Dawson, Ryu, Koretz-O'Farrell) relative to the feasibility of imposing a tax on vacant parcels and units, known as the Empty Homes Tax. Revenues from the tax would be used to support the development of affordable housing. At its meeting of June 16, 2020, the Council discussed the recommendations of the CLA report and approved instructions for the City Attorney to prepare and present the necessary documents to place the Empty Homes Tax measure before the voters on November 3, 2020. Council requested an Empty Homes Tax ordinance modeled on the City of Oakland Vacant Property Tax, with a vacant parcel tax structure recommended by Blue Sky Consulting (Attachment A). Council also requested that the ordinance exempt single family properties, except those owned by a corporation.

The City Attorney has transmitted under separate cover a draft Empty Homes Tax ordinance consistent with the Council action. In the process of drafting the ordinance, the City Attorney, with the assistance of the City Administrative Officer, CLA, Housing and Community Investment Department, Department of City Planning, and Office of Finance identified several issues that require additional consideration by Council. City staff also made adjustments to the Oakland Vacant Property Tax to conform the ordinance to City of Los Angeles law.

This report reviews those issues identified by staff that require Council review and approval, and identifies modifications to the Oakland model that would conform the Empty Homes Tax to City of Los Angeles laws.

## **RECOMMENDATION**

That Council consider the issues addressed in this report and, if necessary, request the City Attorney, with the assistance of the Chief Legislative Analyst, City Administrative Officer, Housing and Community Investment Department, Department of City Planning, and Office of Finance, to draft a revised ordinance for consideration by Council no later than June 30, 2020.

## **BACKGROUND**

On June 8, 2020, the Chief Legislative Analyst (CLA) released a report concerning Motion (Bonin, Harris-Dawson, Ryu, Koretz-O'Farrel) relative to the feasibility of imposing a tax on vacant parcels and units, known as the Empty Homes Tax. Revenues from the tax would be used to support the development of affordable housing. At its meeting of June 16, 2020, the Council discussed the recommendations of the CLA report and approved instructions for the City Attorney to prepare and present the necessary documents to place the Empty Homes Tax measure before the voters on November 3, 2020.

At the instruction of Council, the City Attorney has transmitted a draft ordinance:

- that is based on the Oakland Vacant Property Tax;
- with a rate structure for vacant parcels recommended by Blue Sky Consulting (Blue Sky);
- excluding single-family properties (units and parcels) except those owned by a corporate entity; and
- excluding mixed use parcels under two acres.

The City Administrative Officer, CLA, Housing and Community Investment Department, Department of City Planning, and Office of Finance assisted the City Attorney in preparing the draft ordinance. In this process, we also consulted with the City of Oakland and Blue Sky to further refine the understanding of key issues that are required to be incorporated into the ordinance.

An important element of the ordinance is to clearly state when the tax measure relates to a parcel, to a building, or to a unit within a building. In review of the language that determines the rate of the tax, it became apparent that there are certain parcels that are not included in the tax as described in the Council instructions. Further, each vacant unit is not taxed under the Oakland model, though that may be the intent of the Los Angeles tax. Clarification is needed to capture the Council's intention for the tax structure on these matters. Finally, issues concerning the approach to exemptions from the tax and oversight of tax revenues were identified. Council direction is required to clarify these issues, as described below.

For reference, Attachment B provides a comparison matrix of Vacant Parcel Tax provisions in the Oakland model and as described by Blue Sky.

## **I. Issues for Council Consideration**

### **1. Definition of Vacant Multifamily Unit and Building**

The definition of a "vacant" multifamily building varies between the Oakland and Blue Sky models, significantly impacting the potential tax amount for a multifamily building. The definitions are provided below with a corresponding tax amount that would apply to the parcel's property owner.

**a. Oakland and Draft City of LA Ordinance** -The Oakland Vacant Property Tax defines vacancy on multi-family parcels in the following manner: If any unit in a

multi-family building is occupied, the entire building is considered occupied. The draft ordinance contains this definition, as instructed by Council.

*For example, in a 10 unit building, if one unit is occupied and nine are vacant, the building is occupied and therefore exempt from the vacancy tax. In this case, at a per unit tax of \$6,000, the tax on this parcel would be \$0.*

*If all 10 units are vacant (completely vacant building), the tax would apply, and at the same \$6,000 per unit tax, the tax on this parcel would be \$6,000.*

**b. Blue Sky** - The alternative would be to tax any vacant unit in a building, as in the Blue Sky model. This would generate more revenue, but could create hardship for property owners.

*For example, in a 10 unit building, if one unit is occupied and nine (9) are vacant, at a per unit tax of \$6,000, the tax on this parcel would be \$54,000.*

**c. Hybrid** - A hybrid of both the Oakland and Blue Sky models - Council could consider a per unit tax with a not-to-exceed amount per parcel.

*For example, on a 10 unit building, if one is occupied and nine are vacant, at a per unit tax rate of \$6,000, the first two units are taxed at \$6,000 each, and the maximum could be fixed at \$12,000 for the entire parcel.*

The tax structure related to units will determine the amount of revenue collected. The Blue Sky study and the HCID review of vacancies both estimated revenues based on a tax on designated vacant units, estimating revenues ranging from \$120 million to \$150 million. If the Empty Homes Tax is applied in a manner similar to the Oakland Vacant Parcel Tax, revenues will be substantially lower because there are currently relatively few completely vacant multifamily developments in the City.

Action required:

- If Council agrees with the draft City Ordinance to consider a multifamily building with one unit occupied as the entire building occupied and not subject to the tax (option a) - None.
- If Council wishes to change the structure - Choose an option such as b or c.

**2. Vacant Single Family Properties**

Council instructed that single family (SF) properties would be exempt, except those owned by a corporation. This provision does not distinguish between single family zoned parcels that are: (a) vacant undeveloped; and (b) those units that are developed. Under the Council instruction, vacant single family parcels shall not be taxed unless owned by a corporation. If Council seeks to apply the Empty Homes Tax to all vacant parcels zoned

for single family homes not owed by a corporation, an amendment to the ordinance would be required.

**Action required:**

- If Council agrees with the draft City Ordinance (tax all corporate owned single family properties, including vacant parcels and units; and exclude all other single family properties, including parcels and units) - None.
- If Council wishes to change the properties subject to the tax, Council direction is requested as to whether the corporate ownership provision applies to: (a) single family parcels; or (b) Single Family units.

**3. Exemptions and Criteria**

The number of exemptions and criteria considered in determining the parcels and units that would be subject to the vacancy tax varied between the Oakland model and Blue Sky's proposal. Below are issues identified with each.

**Oakland**

The Oakland Vacancy Tax identifies specific conditions that qualify a property to be exempt from the tax. The draft ordinance provided to Council contains those same exemptions. It should be noted, however, that several of these exemptions require a subjective determination that the property would qualify for relief from the tax. City staff are concerned that subjective exemptions could create an administrative burden, as well as a burden on property owners who would be required to document their qualifications for the exemption. For example, the Oakland Vacancy Tax includes a general hardship exemption. This exemption is vague and unbounded, requiring additional criteria that were adopted by ordinance, administrative findings to guide review of application for the exemption, and review and determination by staff. Other subjective exemptions could result in property owners finding ways to avoid paying the tax through the manipulation of permit applications, for example. Finally, subjective exemptions would require an appeals process and could generate other complicated procedural issues. Attachment C includes a list of exemptions in the Oakland model.

**Blue Sky**

Blue Sky specifically recommends the following basis for exemptions, stating that they:

“must be feasible for the City to implement, contain clear and readily understandable eligibility criteria, and minimize the amount of staff time required to verify eligibility.”

Blue Sky identified the following exemptions for consideration (a more detailed description of each is provided in Attachment C):

1. Low income owners.
2. Adjacent parcels.
3. Parcels used for ingress or egress.
4. Active development or construction.
5. Owner is unable to occupy or use property.
6. Transfer of ownership or legal restrictions on sale, lease or development.
7. Undevelopable parcels.
8. Parcels owned by a governmental entity.
9. Parcels zoned for agricultural, open space, or recreational uses.

Blue Sky considered additional criteria in determining the base number of vacant parcels that would be subject to the tax (prior to exemptions) by removing from the Assessor's database any parcels zoned for agricultural use or open space, any owned by a governmental entity, and any parcels less than 5,000 sq. ft. (minimum lot size for a residential structure).

In determining occupied residential structures, Blue Sky removed the units that were reported to be for sale or for rent in the universe of housing units to be considered for a tax (before exemptions).

Action required:

- If Council agrees with the draft City Ordinance (Oakland exemptions) - None.
- If Council wishes to modify the exemptions, direction is required with regard to the types of exemptions that should be included in the Empty Homes Tax, as well as criteria to include in such exemptions.

**4. Mixed Use Parcel Exemption**

Council identified as a concern that certain mixed use parcels held by the same owner could potentially circumvent the tax if there was a minimum parcel size applied to taxable properties.

For example, if only mixed use parcels over two acres are subject to the tax and an owner holds three separate .75 acre contiguous parcels, the lots would not be subject to the tax. Council expressed that the intent should be to tax properties that are contiguous and collectively pass the two acre threshold. Council instructed staff to include Mixed Use parcels over two acres as those subject to the tax, which is in the draft Ordinance.

This Office would like to clarify that the options described in the CLA Report were to: (a) follow Oakland's model and tax all parcels regardless of size; or (b) follow Blue Sky's model and exclude parcels less than 5,000 sq. ft. and seek Council's guidance on how to proceed on this potential exemption.

Because exemptions affect the rate and amount of tax collected, they must be included in the text of the measure to be presented to voters. It would not be advisable to postpone development of exemption details to a later date as voters may require an understanding of such details in making their decision concerning the measure. It is also important to note that removal of exemptions at a future date would require voter approval.

Action required:

- If Council agrees with the draft City Ordinance (Only mixed use parcels over 2 acres will be taxed; and no minimum parcel size for other parcels) - None.
- If Council wishes to modify the exemption, Council would need to provide direction as to whether there should be minimum parcel size that should be taxed; and whether adjacent parcels should be considered to collectively meet that size threshold.

## 5. Open Space Exemption

If Council determines that exemptions are appropriate for the City Empty Homes Tax, consideration should be given to whether exemptions would be provided to protect open space. The Oakland Vacant Property Tax does not explicitly exempt open space parcels, but provides a process that would allow property owners to seek an exemption from the tax if “the owner can demonstrate that an ‘exceptional special circumstance’ affecting their property prevents the use or development of the property.” The City Council may prefer to establish in the ordinance an exemption for open space. The Department of City Planning has identified several criteria for exemption; the ordinance could be revised as follows:

1. Exempt an owner of a parcels that meets one of the following definitions of open space:
  - i. Parcels with a zoning classification of Open Space (OS) or with a General Plan Land Use designation as Open Space
  - ii. Parcels with open space covenants/easements or otherwise legally accessible to the public
  - iii. Parcels designated open space lands as defined in Article 10.5 of the CA Govt Code
  - iv. Parcels that have been vacant for the prior 25 years and abut a parcel meeting one of the classifications listed in 1-3 above
  - v. Vacant parcels located within the Rim of the Valley Corridor
  - vi. Any other open space designation in any zoning ordinance, plan, policy or program
  - vii. Lands designated as Very High Fire Severity Zones located within Hillside Areas designated by the Department of City Planning Hillside Area Map
  - viii. Parcels subject to an Urban Agriculture Incentive Zone (UAIZ) contract with the City of Los Angeles
  - ix. Parcels designated PF (Public Facilities)

- x. Properties operating as public gardens, community gardens, or agricultural purposes.

Action required:

- If Council agrees with the draft City Ordinance (no exemptions for Open Space) - None.
- If Council wishes to establish Open Space exemptions, adopt the exemptions above.

## **II. Draft Ordinance Revisions**

The City Attorney, in consultation with City staff, identified concepts that do not translate directly from the Oakland Vacant Parcel Tax to the Empty Homes Tax, so alternative language was drafted that relates specifically to the City. These concepts are:

### **1. Definition of Corporation**

The Council instruction provided that single family properties be exempt from the tax, except for properties owned by a corporation. Under federal tax law, a corporation is a very specific type of entity and does not capture all of the types of ownership that the Council may have intended to capture in this instruction. Upon review, staff have drawn a definition of corporate ownership from AB 1482, the Tenant Protection Act of 2019, signed by the Governor in October 2019, which includes a variety of non-person owners. This definition of corporation is provided in the draft ordinance as follows:

- (A) The owner is not any of the following:
  - (i) A real estate investment trust, as defined in Section 856 of the Internal Revenue Code.
  - (ii) A corporation.
  - (iii) A limited liability company in which at least one member is a corporation.

### **2. Oversight**

The Oakland Vacant Property Tax is assessed for the purpose of addressing homelessness and funds are administered by a Commission on Homelessness. The City of Los Angeles administers its homeless programs cooperatively with the County of Los Angeles through a joint powers authority, the Los Angeles Homeless Services Authority (LAHSA). It is not recommended that funds raised through the Empty Homes Tax be provided to LAHSA for allocation.

Motion indicates that the purpose of the proposed Empty Homes Tax is to support the development of affordable housing. In 2019, the City of Los Angeles implemented a Linkage Fee which includes a Linkage Fee Oversight Committee (Committee) responsible for evaluating fee revenues and recommending revenue allocations consistent

with the intent of the Linkage Fee Ordinance. The Committee conducts public meetings to consider and recommend to the Council and Mayor revenue allocation plans on an annual basis.

The draft Empty Homes Tax Ordinance recommends that the Committee be responsible for reviewing and recommending an allocation plan for revenues generated by the Tax. This would ensure that decisions for the allocation of all funds designated for affordable housing purposes, such as the Linkage Fee, SB 2, and the proposed Empty Homes Tax, be aligned to maximize the use of those funds, and that those decisions be made in a public forum.

**3. References Conforming to City of Los Angeles Terminology**

The City Attorney has identified definitions and concepts in the Oakland Vacant Parcel Tax that are relevant to the City of Oakland. Such definitions and concepts have been revised to be relevant to the City of Los Angeles.

**4. Appeals**

The Oakland Vacant Parcel Tax does not include a provision for appeals. The City of Los Angeles typically includes such a provision in its tax measures. Such language has been added to this ordinance.

**5. Name of the Tax**

Motion referred to this as the Empty Homes Tax. The draft ordinance refers to this now as the Los Angeles Vacant Property Tax.

Attachment A: Council Instruction, June 16, 2020

Attachment B: Policy Options

Attachment C: Exemptions Described by Blue Sky Consulting

## **ATTACHMENT A**

### **COUNCIL INSTRUCTION OF 6/16/2020**

#### **MOTION**

I HEREBY MOVE that Council AMEND the COMMUNICATION FROM THE CHIEF LEGISLATIVE ANALYST (CLA) relative to the vacancy tax and empty homes penalty, to:

ADOPT Recommendation No. 1 in the CLA report dated June 8, 2020, approving the framework for a vacancy tax, utilizing the Oakland Ordinance as a model, excluding vacant commercial parcels except those over a certain size where mixed-use projects could be built, excluding non-corporate owned single-family properties, and using for vacant parcels the recommended rates from the Blue Sky report.

PRESENTED BY: \_\_\_\_\_

MIKE BONIN  
Councilmember, 11th District

SECONDED BY: \_\_\_\_\_

PAUL KORETZ  
Councilmember, 5th District

6/16/20  
19-0623

## ATTACHMENT B

### POLICY OPTIONS

<b>CONSIDERATION</b>		<b>OAKLAND / BLUE SKY</b>	<b>POLICY OPTIONS</b>
<b>(1)</b>	Determine if tax applies to vacant and/or underutilized sites/units/buildings.	<p><i>Oakland and Blue Sky</i></p> <p>Residential; ground floor commercial; and vacant lots.</p>	<p>(a) Residential, ground floor commercial, and vacant lots; or</p> <p>(b) Any other combination of property types.</p>
<b>(2)</b>	Define “vacant”	<p><i>Oakland</i></p> <p>Vacant Property: (a) Residential and commercial properties in use less than 50 days in a calendar year.</p> <p>“In use”</p> <p>(1) Physical occupancy.</p> <p>(2) Civic, commercial, industrial, agricultural, extractive activity.</p> <p>(3) Maintenance of an undeveloped parcel that is contiguous or within 500 feet of an occupied residential parcel owned by the same owner.</p> <p>(4) Ingress/egress limitations.</p> <p>(5) Others deemed appropriate.</p> <p><i>Blue Sky</i></p> <p>A vacant parcel is “not in use” and an improved parcel is “unoccupied” if it is not in use or unoccupied for more than 180 days per year.</p> <p>Vacant: Undeveloped land without structures or improvements.</p> <p>Unoccupied: Parcels with improvements that are not occupied during the year.</p> <p>“In use”</p> <p>(a) Primary residence of owner at least 180 days.</p> <p>(b) Residential unit rented for at least 180 days (excludes short-term rentals).</p> <p>(c) Ground floor unit in commercial structure or parcel utilized by the owner or rented for at least 180 days.</p> <p>(d) Parcel not subject to the city’s business tax or used for a civic purpose</p>	<p>(a) Oakland criteria</p> <p>(b) Blue Sky criteria</p> <p>(c) Other</p>

(3)	Exemptions	<p><i>Oakland</i></p> <ol style="list-style-type: none"> <li>1) Owner “very low income” (HUD).</li> <li>2) Owner 65 yrs. or older and “low income” (HUD).</li> <li>3) Owner receives disability SSI or Social Security Disability Insurance benefits and income below 250 percent of 62012 federal poverty guidelines (HHS).</li> <li>4) The tax would create a “financial hardship due to specific factual circumstances.”</li> <li>5) Property vacant due to “demonstrable hardship that is unrelated to the owner’s personal finances.”</li> <li>6) Property under active construction.</li> <li>7) Owner has active building permit application in process.</li> <li>8) Owner has a “substantially complete application for planning approval” under review.</li> <li>9) Owner can prove “exceptional specific circumstances prevent the use or development of the property.”</li> <li>10) Nonprofit owner.</li> </ol> <p><i>Blue Sky</i></p> <p><u>Vacant Parcels</u></p> <ol style="list-style-type: none"> <li>1) Low income owners.</li> <li>2) Adjacent parcels.</li> <li>3) Active development / construction.</li> <li>4) Ingress / egress limitations.</li> <li>5) Parcel transferred or legal restriction on sales/use/development.</li> </ol> <p><u>Unoccupied Residential</u></p> <ol style="list-style-type: none"> <li>1) For rent.</li> <li>2) Rented, not occupied.</li> <li>3) For sale.</li> <li>4) Sold, not occupied.</li> <li>5) For migrant workers.</li> </ol> <p><u>Unoccupied Residential and Commercial</u></p> <ol style="list-style-type: none"> <li>1) Low income owners.</li> <li>2) Active development / construction.</li> <li>3) Parcel transferred or legal restriction on sales/use/development.</li> <li>4) Owner unable to occupy or use.</li> </ol>	Any of the following criteria:
			(a) Oakland criteria
			(b) Blue Sky criteria
			(c) Other noted below:
			(i) Property for rent or sale. (Under the Washington D.C. program, if a property is making a good-faith effort to find a renter, residential buildings can claim exemption for 1 year, and commercial for two years)
			(ii) Property awaiting development approval. (Washington D.C.)
			(iii) Property is subject to probate proceedings or the title is subject of litigation. (Washington D.C.)
			(iv) Owner is Mom-and-Pop owner with less than specified number of units.
			(v) Owner is not related to a corporate entity.
			(vi) Other

(4)	Proposed tax rates; consider establishing a not-to-exceed maximum amount with the ability to adjust any given year.	<p>Flat rate per parcel.</p> <p><i>Oakland</i></p> <p>(1) Residential, nonresidential, and undeveloped lots = \$6,000.</p> <p>(2) Condominium, duplex, or townhouse units under separate ownership = \$3,000 per unit.</p> <p>(3) Ground floor commercial space = \$3,000 per parcel.</p> <p><i>Blue Sky</i></p> <p><u>Unoccupied</u></p> <p>(1) Residential = \$5,000.</p> <p>(2) Commercial = \$5,000.</p> <p><u>Vacant Parcels</u></p> <p>(1) Single Family Residential = Parcels up to 20,000 sq. ft. = \$5,000.</p> <p>&gt;20,000 sq. ft. = \$5,000 + \$1,000/per additional 20,000 sq. ft. with a max. \$20,000/parcel.</p> <p>(2) Multifamily Residential = Parcels up to 20,000 sq. ft. = \$10,000.</p> <p>&gt;20,000 sq. ft. = \$10,000 + \$2,000/per additional 20,000 sq. ft. with a max. \$40,000/parcel.</p> <p>(3) Commercial/Industrial= Parcels up to 20,000 sq. ft. = \$5,000.</p> <p>&gt;20,000 sq. ft. = \$5,000 + \$1,000/per additional 20,000 sq. ft. with a max. \$20,000/parcel.</p>	<p>Flat rate per parcel as follows:</p> <p><b>(a)</b> Oakland rates</p> <p><b>(b)</b> Blue Sky rates</p> <p><b>(c)</b> Other</p>
(5)	City's process for identifying properties subject to the tax.	<p><i>Oakland</i></p> <p>Self-reporting by homeowners and additional monitoring by city.</p>	<p><b>(a)</b> Self-reporting by homeowners and additional monitoring by city.</p> <p><b>(b)</b> Other (An HCID report relative to identifying properties is forthcoming and will provide available sources for identifying vacant properties).</p>
(6)	Timeframe to Appeal	<p><i>Oakland</i></p> <p>20 days.</p> <p><i>Blue Sky</i></p> <p>None specified.</p>	<p><b>(a)</b> 20 days</p> <p><b>(b)</b> 60 days</p> <p><b>(c)</b> 90 days</p> <p><b>(d)</b> Other</p>

(7)	Uses for the special tax.	<p><i>Oakland</i></p> <p>Homelessness services and programs.</p> <p>Preservation of existing affordable housing and production of new affordable housing.</p> <p>Maintain and clean-up blighted properties.</p> <p>To create a Commission on Homelessness that make funding decisions, as established by the voter-approved measure.</p> <p>Administrative costs associated with tax.</p> <p><i>Blue Sky</i></p> <p>None specified.</p>	<p>(a) Uses allowed by Oakland</p> <p>(b) Other</p>
(8)	Establish the administrating department - City department to identify parcels to be taxed, handle appeals and related matters, be responsible for working with the County Assessor to effectuate parcel tax and collect penalty revenue received from the County.	<p><i>Oakland</i></p> <p>Finance Department; and hired a consultant to implement, administer, and manage the tax for up to five years.</p>	<p>(a) Department of Finance.</p> <p>(b) Other.</p>
(9)	Sunset Provision	<p><i>Oakland</i></p> <p>20 years.</p> <p><i>Blue Sky</i></p> <p>None stipulated.</p>	<p>(a) 5</p> <p>(b) 10</p> <p>(c) 20 years.</p> <p>(d) None</p> <p>(e) Other.</p>
(10)	City may wish to consider phasing-in so as not to “flood the market” and depress property values.	<p><i>Oakland</i></p> <p>None.</p> <p><i>Blue Sky</i></p> <p>Recommended, but not factored into assumptions.</p>	<p>(a) Phase in the flat rate per parcel rate by year (over 3 years) for vacant and unoccupied.</p> <p>(b) Phase in the flat rate per parcel rate by year (over 3 years) for vacant or unoccupied parcels.</p> <p>(c) Other</p>

## **ATTACHMENT C**

### **EXEMPTIONS DESCRIBED BY BLUE SKY CONSULTING**

1. Low income owners. Parcels owned by low income individuals (e.g., United States Department of Housing and Urban Development very low income limit for the Los Angeles-Long Beach-Glendale Metro Area was \$52,200 for a family of 4 in 2019).
2. Adjacent parcels. Vacant parcels adjacent to an occupied residential or commercial structure where both parcels are owned by the same owner.
3. Parcels used for ingress or egress. Parcels that are needed for persons or vehicles to access properties where the ingress or egress area makes up at least 50 percent of the parcel area (e.g., driveway, alley, or path).
4. Active development or construction. Parcels actively being developed or under construction, or that recently completed development or construction (e.g., the owner has a “substantially complete application for planning approval” under review by the City, an active building permit where the building improvement value exceeds a minimum threshold such as \$20,000, or where the building was recently constructed but not yet fully occupied).
5. Owner is unable to occupy or use property (e.g., the property was unoccupied or not in use due to extended military service or deployment overseas, extended hospitalization or residence in a long-term care facility prohibiting occupation or use of the property, etc.)
6. Transfer of ownership or legal restrictions on sale, lease or development. Parcels that transferred or sold within the prior year or where the sale, lease, use, or development of the parcel cannot proceed due to probate, foreclosure, bankruptcy proceedings, divorce, pending lawsuits, court order, or other documentable circumstances that prevent the owner from developing, occupying, using, leasing or selling the property.
7. Undevelopable parcels. Vacant parcels where the owner can demonstrate that the parcel cannot be developed because a building permit cannot be issued due to zoning or other government-imposed restrictions. Restrictions that may prohibit development may include earthquake zones, sensitive habitat areas or areas subject to environmental protection, or inaccessible property such as those with no legal or physical access.
6. Parcels owned by a governmental entity.
7. Parcels zoned for agricultural, open space, or recreational uses.