Proposed North Richmond annexation means more services, higher taxes

A woman walks past a faded mural on a building on Third Street near Chesley Avenue in North Richmond, Calif., on Monday, March 31, 2014. North Richmond residents have voiced their opposition to efforts by the city to annex the 1.5 square mile enclave of about 3,700 people. (Kristopher Skinner/Bay Area News Group)

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RICHMOND — North Richmond, a 1.5-square-mile unincorporated pocket surrounded by Richmond, could be annexed into the city — if its residents are OK with that.
Annexation would mean access to city programs such as rent control, more direct political representation and possibly more public safety for North Richmond residents, but that would come at a cost. Annual property taxes would rise by $140 per $100,000 of a home’s assessed value.

City and county officials want North Richmond residents to decide for themselves whether the benefits are worth paying higher taxes.

People who have attended informational public meetings led by city and Contra Costa County liaisons still seem relatively split on annexation, with slightly more people opposing it, county Supervisor John Gioia said in an interview.

The informational meetings will continue, and the city will tally results from a mailer with a ballot to return asking whether people want annexation. The results will help Richmond officials decide whether to continue the annexation process through the Contra Costa County Local Agency Formation Commission — a regional agency that oversees annexations.

About 3,700 people live in the 1.5 square-mile area pocketed between Chelsea Avenue, Parr Boulevard, Garden Tract Road and a Union Pacific rail line parallel to Giant Road. It is completely surrounded by incorporated Richmond.

The enclave is the result of World War II-era housing restrictions that barred African-Americans from buying homes in Richmond.

About 18 people attended one of the meetings Thursday night at Shields Reid Community Center. Most were opposed to — or at the least skeptical of — annexation.

Rarain “Ray” Thomas, 42, who attended the meeting, thinks a spike in taxes will drive longtime residents out, and gentrification will ensue. A study authorized by the North Richmond Municipal Advisory Council said North Richmond residents’ property taxes would rise 0.14 percent if the area were annexed, adding $140 per $100,000 of a home’s assessed value to a homeowner’s annual property tax.

If a home had an assessed value of $300,000, property taxes would increase by $420 a year. About two-thirds of the area’s houses were built before 1969 and many are valued at $250,000 or less, the report said.

The increase may break the bank for many North Richmond residents who live on fixed incomes, Thomas said. Thomas does not live on a fixed income, but would still feel the pain of the tax increases, he said.
“It’s a detriment to homeowners like myself. Our taxes would be raised, which many of us are struggling to pay now,” he said in an interview.

Yet only about 27 percent of the homes in North Richmond are owner-occupied, the study said. Renters could benefit from the city’s rent control ordinance if the community is annexed; no rent control ordinances currently apply to North Richmond.

North Richmond residents would also have better access to government if annexation were to occur, the study said. The closest government hub would be a few miles away at Richmond City Hall, as opposed to the county seat almost 20 miles away in Martinez.

Thomas moved to the area in 2010 from Oakland, where he grew up, and watched many people be driven out of that city as housing costs soared, he said. He fears North Richmond residents will have the same fate, and said he thinks the plethora of undeveloped land in the area is what’s enticing to Richmond city officials.

“For the residents who have been here for 20, 30 years, this is a hidden gem, this is it, and I want it to remain a hidden gem,” Thomas said.

Gioia said he believes gentrification in Richmond and surrounding west Contra Costa County areas is a larger issue that should be dealt with at a regional level. Annexation will not spur development, he said; the state of the local real estate market is what’s doing that.

Sabrina Smith bought a house in North Richmond in February after renting in the city of Richmond for years. When rent at her apartment neared $3,000, she and her family moved out. She worries that if she can’t afford to pay her taxes, she may have to leave the Bay Area.

“Where would I go? Everywhere’s so expensive in the Bay Area, they’re driving people of color like us out,” she said in an interview.

In addition to the property tax increase, Richmond has a higher sales tax, 9.25 percent, than the county, at 8.25 percent. Utility taxes would be 5 to 10 percent higher for North Richmond residents under annexation.

Gioia said the majority of North Richmond residents still don’t know much about the annexation proposal and what it means.

He himself supports the effort, though he wants his constituents to decide for themselves whether they think it’s a good or bad idea. The clearest benefit of annexation, he said, is more effective policing.
The Contra Costa County Sheriff’s Department currently serves North Richmond, though it is surrounded by the Richmond Police Department’s jurisdiction. In many instances, it would be more efficient for a Richmond police officer to respond to an emergency call. Richmond police’s crime prevention programs would also be implemented in the area, which has been hit hard by crime and gang violence.

Smith said she is satisfied with the sheriff’s department’s service. Her daughter recently had to call during an emergency and deputies arrived quickly, she said.

From 2010 to 2014, 19 people were killed in North Richmond, but charges were only filed in five cases. The clearance rate for homicides in Richmond is much higher, the study said.

“In my role as a representative for that community, I believe that long-term, it is better having one police agency serving North Richmond than two,” Gioia said. “That, over time, hopefully means better public safety. But I also appreciate that there are people who are unable to pay increased taxes today to get that benefit. This is not an easy issue; if it were, (annexation) would have happened by now.”