



Agenda Item No. Administrative Hearing

COUNCIL COMMUNICATION

Date: April 15, 2009

TO: Mayor and Members of the City Council

FROM: Bob Adams, Development Services Director
Nimat Shakoor-Grantham, Code Enforcement Manager

SUBJECT: APPROVAL OF RESOLUTION HOLDING ON FIRST READING
AN ORDINANCE AMENDING VALLEJO MUNICIPAL CODE,
CHAPTER 7.62 – VACANT BUILDING ORDINANCE- AND
SETTING A PROGRAM REGISTRATION FEE.

BACKGROUND AND DISCUSSION

The current foreclosure crisis has raised a myriad of local, regional, and national issues which governmental agencies have been forced to grapple with. Many Adjustable Rate Mortgages, (ARM's) are at a point where property owners cannot afford to pay the higher mortgage payments nor can they refinance their homes due to the lack of equity. This situation negatively affects both the individual property owner and the City's property tax revenues.

Currently, more than 1,000 properties in Vallejo are in the foreclosure process or vacant. The foreclosure process can take several months to complete while the properties within the process remain vacant and abandoned. Many of these properties are reported to the Code Enforcement Division by neighborhoods that are suffering from the severe states of blight, fire hazard, lack of maintenance and security, and other health and safety issues that these properties present. There are excessive amounts of weeds, litter, junk, trash, algae filled mosquito-breeding pools, abandoned pets, rodents and other public nuisances that plague the neighborhoods. These neighborhoods include, but are not limited to: Country Club Crest, Central Vallejo, Glen Cove, Vallejo Neighborhood Heights, College Park, East Vallejo, Washington Park, South Vallejo and Hiddenbrooke.

Requiring absentee owners of vacant and abandoned properties to correct these listed violations presents significant challenges to the Code Enforcement process. When properties are abandoned and vacated, it is nearly impossible to locate the titled property owner. Grant deed property profiles from title companies, the County Tax Assessor roll, and foreclosure databases fail in many instances to show when the deed to the property changes ownership.

Vacant and abandoned properties are at high risk for fire hazard and vandalism. These properties also represent a significant lack of property monitoring and maintenance responsibility by absentee owners.

In order to keep abreast of the frequent changes in property ownership, Code Enforcement Officers would have to spend an unreasonable amount of time researching the ownership information at the County Recorders' office in Fairfield, or spend 4-6 hours at a time researching the changing ownership of a property using the phone and internet.

When asked to assist in informing the financial institution or new owner of the need to correct property maintenance violations on foreclosed, abandoned and vacant property, assigned Real Estate Owned Property (REO) Realtors often said that the owner does not want to put more money into the property or will refuse to provide any current owner or asset manager information due to their fiduciary relationship with the owner and their agents.

The proposed amendment to the vacant building ordinance includes the following main components:

- 1) The definition of "owner" is broader and includes anyone with a titled property interest, so that it covers banks and real estate owned properties.
- 2) It mandates that vacant and foreclosed properties be registered with the City of Vallejo so that staff can more easily track, cite and abate, if necessary, problem properties. For properties in the foreclosure process, the property would be registered with the Code Enforcement Division within ten (10) days of the ownership information registration with the Solano County Recorder's office.
- 3) Absentee owners would be held responsible for maintaining the property, just like local owners. Absentee owners may have to retain the services of a property management company.

The proposed amendment would facilitate more efficient enforcement of the previously mentioned violations that are common on these types of properties. An administrative fee to cover the cost of processing and maintaining the registration information and conducting an inspection of the registered properties will be charged per property, therefore, the City's fee schedule will need to be amended. The methodology used to calculate the registration fee consists of a cost of service study which analyzes the direct costs associated with providing each fee-for-service activity, and the indirect costs that support these activities. See attached registration fee calculation.

|

RECOMMENDATION

Staff recommends that the City Council Adopt a Resolution holding on first reading an ordinance amending Vallejo Municipal Code Chapter 7.62, Vacant Building Ordinance and setting a registration fee,

PROPOSED ACTION

Adopt the Resolution.

FISCAL IMPACT

Revenue from the vacant property registration program may increase the City's General Fund for Code Enforcement activities.

ENVIRONMENTAL REVIEW

The Development Services Director has reviewed the proposed activity for compliance with the California Environmental Quality Act CEQA and has determined that the activity is not a project as defined under Section 15378 of the State CEQA Guidelines.

DOCUMENTS ATTACHED

1. Proposed City Council Resolution
2. Registration Fee Calculation

RESOLUTION NO. _____ N.C.

BE IT RESOLVED, by the Council of the City of Vallejo as follows:

THAT WHEREAS, the recent foreclosure crisis has raised a myriad of local, regional, and national issues which various governmental agencies, including the City of Vallejo have been forced to address, and

WHEREAS, more than 1,000 properties in Vallejo are vacant or in the foreclosure process, many of which are reported to the Code Enforcement Division due to being vacant, unsecured and often vandalized, having excessive amounts of weeds, litter, junk, trash, algae filled, mosquito-breeding pools, abandoned pets, and other public health and public nuisances that plague the neighborhoods, and

WHEREAS, the City of Vallejo Code Enforcement Division is intent on increasing the effectiveness of code enforcement efforts to address these violations on vacant and abandoned properties;

NOW, THEREFORE, BE IT RESOLVED, that the Vallejo City Council hereby

- HOLDS on first reading an ordinance amending City of Vallejo Municipal Code Chapter 7.62, Vacant Building Ordinance; (Attachment "A" to this resolution) and
- ADOPTS a \$200 registration fee for each vacant and/or foreclosed property and directs that such fee be incorporated into the existing fee schedule.

Registration Fee Calculation

Staff Costs

Position	Base Salary	Benefits	Hourly Rate	Time per Application	Cost per Application
Sr. Admin. Clerk	\$22.32	+ 40%	\$31.24	x 1.15	\$35.93
Code Enforcement Officer	\$41.19	+ 40%	\$57.66	x 1.35	\$77.84
Code Manager	\$52.14	+ 40%	\$72.99	x .60	\$43.79
Sr. CEO – Supervisory Time	\$65.45			x .10	\$6.55
Department Head	\$76.77			x .10	\$7.68
Deputy City Attorney	\$48.48			x .10	\$4.85
Total					\$176.64

Support Costs

Item	Cost
Mailing	\$5.00
Paper	\$0.04
Vehicle Maintenance	\$17.65
Total	\$22.69

Total Costs

Staff Costs	\$177.00
Support Costs	\$23.00
Total	\$200.00