

**REPORT TO COUNCIL
COMMITTEE ON
LAND USE
AND HOUSING**

February 3, 2010

PROBLEM:

Vacant and Abandoned Properties attract crime, create safety and fire hazards, lower property values, decrease housing stock, and demoralize a community.

Types of Abandoned Properties

- ▶ Vacant *Unsecured* Structures
- ▶ Vacant *Boarded* Structures
- ▶ Vacant Structures that are *not Boarded*
- ▶ Abandoned Remodels
- ▶ Vacant Lots







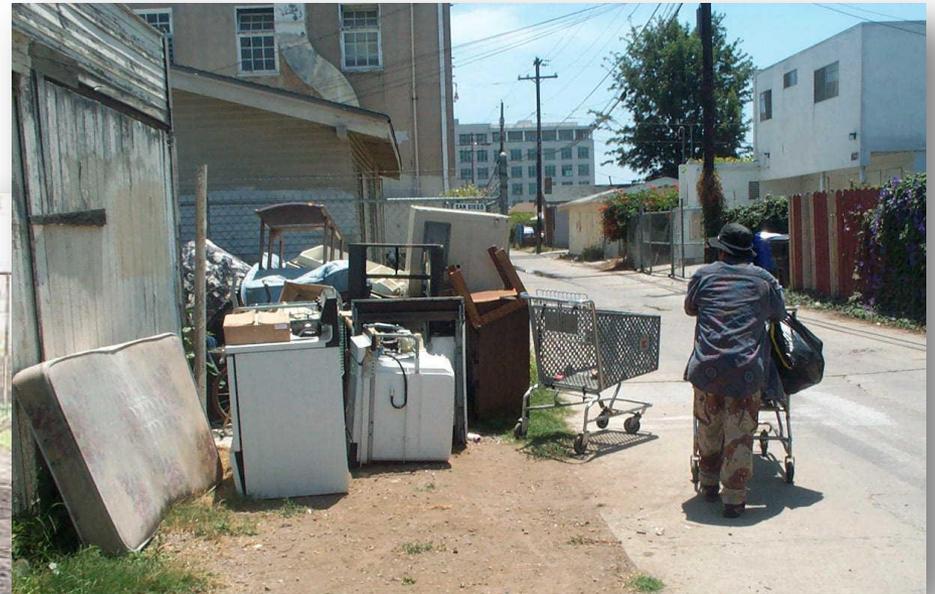


Vacant Commercial Structure vacant 20+ years
3640 6th Ave/ CD3

FORECLOSED VACANT PROPERTY



TRANSIENTS



CRIMINAL ACTIVITY



HAZARDOUS OR UNSANITARY CONDITIONS



Vacant Properties Ordinance

- ▶ San Diego's Response – enacted ordinance and program in 1996
- ▶ Product of City-wide task force
- ▶ Consultant hired to help with long term strategy
- ▶ Local program developed
- ▶ Key to Program = VP Coordinator

Program Overview – San Diego

- ▶ Over 10 cities have replicated SD's program: LA, Phoenix
- ▶ San Diego's VP Program highlighted at 2004 ICMA Conference
- ▶ Program has received National recognition
- ▶ City serves on National Vacant Properties Campaign,
www.vacantproperties.org

Strengths of San Diego's VP Program

- Effective abatement policies, procedures, and funds to clean and secure vacant properties
- Overall assessment of property (scope of work needed for rehab, is structural integrity, zoning or building issues)

Strengths of San Diego's VP Program

There exists a coordinated interagency
and interdepartmental approach to:

- Stabilize nuisance conditions
- Remove impediments to prompt rehabilitation
- Coordinated strategy
- “Carrot and stick” approach

What are the Typical Scenarios?

- ▶ Structure is unsecured and is fire hazard
- ▶ Crime is occurring – transients, litter, prostitution, drugs, graffiti
- ▶ Complaints by citizens lead to City response
- ▶ If unsecured, NCCD issues an Abatement Notice to Board & Secure within 10 days
- ▶ City Attorney may need to prosecute

City of San Diego's Vacant Property Program

Vacant Unboarded Structure

Not Addressed:
• Vacant structure which is not boarded
• Perennial rehabs

City Issues Notice to Board & Secure

Owner Boards & Secures

Owner Fails to Abate

City Boards & Secures

Vacant Property Program
• *Assessment of property
• Dialogue with owner
• Statement of Intent required (Rehab?, Sell?, Lease?)
• Depending on facts City Attorney may be involved at this point

No Statement of Intent Filed

Statement of Intent Filed

Admin Files

Refer to City Attorney

Timely Rehabs, Sells, Leases or Occupies

Fails to Timely Comply with Statement of Intent

Admin Files

Refer to City Attorney

Components of VP Program

- ▶ Owner must file Statement of Intent (declare intentions to rehab, sell, lease, etc., and outline plan for maintenance)
- ▶ Administrative Penalties may be imposed if no follow through within 90 day period
- ▶ Case may also be referred to City Attorney

VP Coordinator can administratively fine owner for:

- ▶ Failure to File a Statement of Intent
- ▶ Failure to Demonstrate Good Faith Action within 90 days (sell, lease, rehab)
- ▶ Up to \$5,000 a year per structure
- ▶ Owner has right to appeal penalty

City Attorney Action

- ▶ Often sends public nuisance letters
- ▶ Assists with investigation, coordination, especially with foreclosures/crime
- ▶ Can file criminally – public nuisance violations
- ▶ Can file civilly – seek injunction
- ▶ Receivership available under CA Health and Safety Code
- ▶ Meets with owner/banks/asset managers

VP Coordinator's Duties . . .

- ▶ Assists with Financial or Legal Issues – probate action? taxes paid? Does owner qualify for grants? title issues?
- ▶ Refers Owner to Appropriate Agencies or Resources, e.g., public guardian, is conservator needed?
- ▶ Coordinates efforts between Police, DSD, NCCD and City Attorney
- ▶ Reports out to Community Groups

Program Does Not Address:

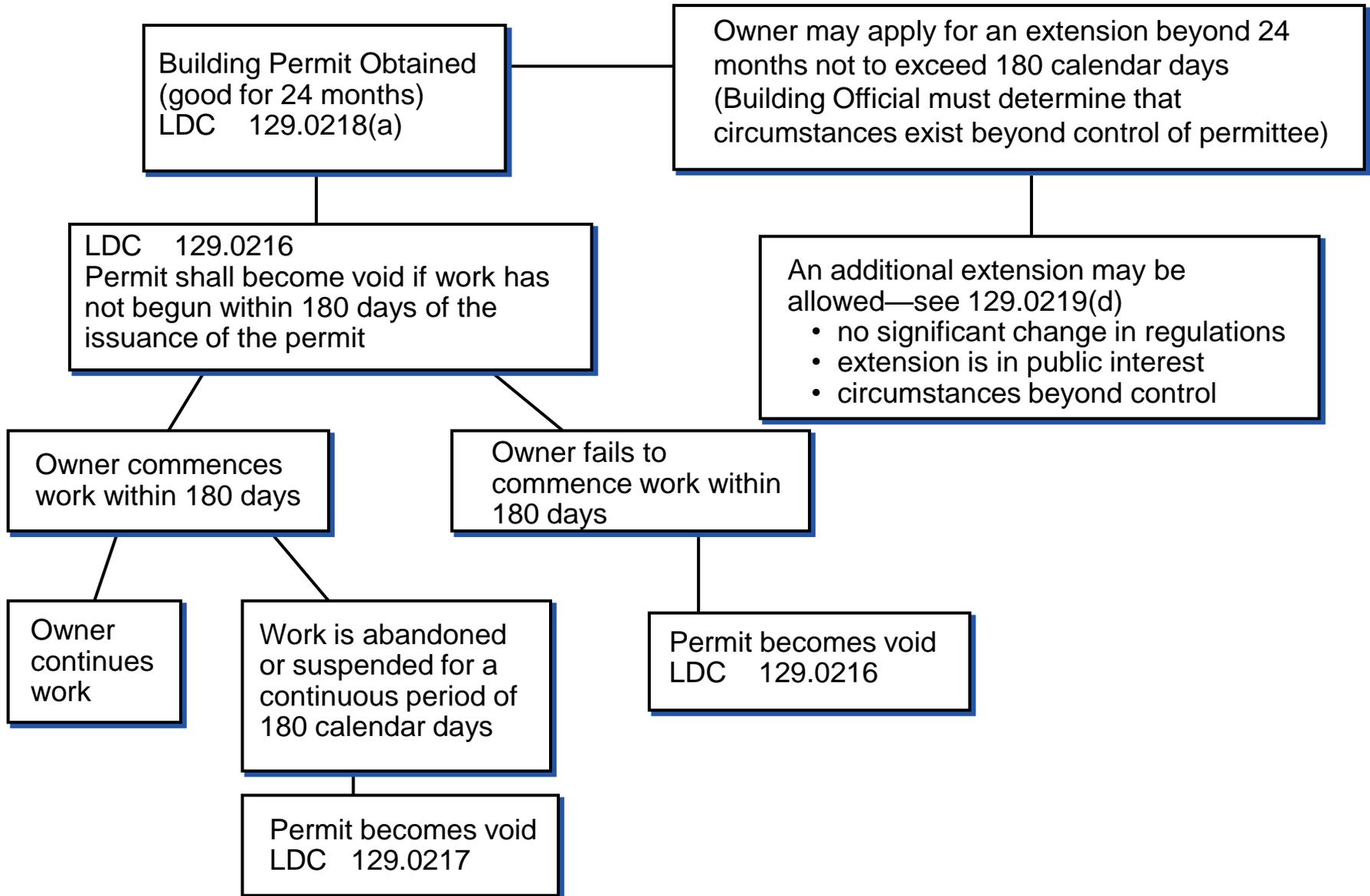
- ▶ Structures that are not boarded
- ▶ “Perpetual Remodels”
- ▶ Vacant Lots

Abandoned Remodels

- ▶ Problem = Perpetual “Remodels” that last for years
- ▶ Residential building permit good for 2 years; commercial building permits good for 4 years. Action needed within 180 days

Construction Permits

Building Permit Procedures



What Would Remodel Ordinance Do?

- ▶ No longer allow properties which are under rehab or remodel to continue on for years (some have 12 years+ history)
- ▶ Mandate timely completion of project
- ▶ Carve out exception for abandoned structures
- ▶ See New Jersey law
- ▶ Los Angeles also
- ▶ Craft criteria

What Would Remodel Ordinance Do?

- ▶ Require timely rehabilitation for abandoned nuisance structures – limit extensions
- ▶ Make it unlawful to fail to rehabilitate within required time frame
- ▶ Currently the only way to require timely rehab is through prosecution (criminal or civil court order)
- ▶ End the long permit history – balance impact on community

“Golden Hills Skeleton”



2330 F Street / CD8



3640 6th Avenue/ CD3
Vacant 20+ years



7102 Tuther Way/CD4
Vacant 9 years



1327 Torrey Pines Road/CD1
Vacant 7 years



1112 Emerald Street/CD2
Vacant 12 years
Subject of Grand Jury
Report

ABANDONED REMODEL



3060 Greyling Drive
Council District 6



ABANDONED REMODEL

6295 Scimitar Drive
Council District 4



Abandoned Remodel



6295 Scimitar Drive
Council District 4





16911 W. Bernardo Drive/CD5



4775 Mount Harris/CD6



ABANDONED REMODEL

2720 Deerpark Drive
Council District 6



Benefits of a Vacant Properties Program

- ▶ Improves neighborhoods (removal of blight, hazards, crime)
- ▶ Prevents loss of housing stock
- ▶ Creates opportunities for infill development
- ▶ Embraces Smart Growth principles
- ▶ Eliminates sense of fear
- ▶ Restores Community Pride

VP Coordinator's Duties . . .

- ▶ Coordinator utilizes “carrot and stick” approach
- ▶ Works with Owner first
- ▶ Identifies Problems/Obstacles to Rehab (is structure substandard?, needs demo?)
- ▶ Identifies proper scope of work and permit requirements
- ▶ Ensures timely rehabilitation
- ▶ Resolve inventory of boarded structures

Mayor's Foreclosure Task Force

- ▶ See Recommendations –
amend VP ordinance to include
foreclosures

San Diego's Plan of Action

Hold the lending industry accountable:

- ▶ Aggressively use a variety of code enforcement remedies: Prosecution, administrative abatement, civil penalties and administrative citations to address nuisance and maintenance issues on foreclosed properties
- ▶ Communicate regularly with members of the lending industry to notify them about existing regulations, potential fines and/or prosecution for poor property maintenance habits

San Diego's Plan of Action

- ▶ Identify lenders with high risk loans
- ▶ Identify loan default indicators and areas with properties in pre-foreclosure stage
- ▶ Identify neighborhoods with high rate of foreclosures and notices of default
- ▶ Possibly amend to charge fee with Statement of Intent; add only foreclosed properties?
- ▶ Continue to focus on transient corridors, high crime areas, properties near schools, parks

San Diego's Plan of Action

- ▶ Work with SANDAG or access other databases to forecast geographical areas with high foreclosure rates and loan default indicators to anticipate expected service needs and redirect resources to specific census tracts
- ▶ Continue to provide training to code compliance volunteers and law enforcement personnel
- ▶ Post owner info/Letters of Agency

Options

- ▶ Amend current VP ordinance to include vacant structures without boards
 - ▶ Amend current VP to include remodels, or
 - ▶ Develop broader ordinance defining what is abandoned property – boarded, unboarded and remodels become subset
 - ▶ Require timely rehabilitation
 - ▶ Can apply same successful principles of VP Program
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3131 National Avenue
Council District 8



6065 Alleghany Street
Council District 4



Questions?