THE CITY OF SAN DIEGO

M E M O R A N D U M

DATE: April 11, 2012

TO: Chairperson Lorie Zapf and Members of the Land Use and Housing Committee of the City Council

FROM: Robert A. Vacchi, Deputy Director, Neighborhood Code Compliance Division

SUBJECT: Staffing Analysis for the proposed PVP Ordinance

Pursuant to Councilmember Lightner's direction at the LU&H Committee Meeting of October 26, 2011, we are providing information regarding potential impacts to code enforcement resulting from implementation of the Property Value Protection Ordinance (PVPO). The analysis and conclusions are solely based upon information provided by the Center on Policy Initiatives (CPI). The analysis assumes an ordinance adopted as presented by CPI, case numbers as provided by CPI, and a total proactive program by NCCD.

Properties become subject to the PVPO registry in two ways, a case may be initiated where a Notice of Default (NOD) has been issued or where a property is Real Estate Owned (REO). According to CPI, 6,300 properties fell into NOD/REO status in 2010, followed by another 4,607 properties in 2011.

If NCCD were to implement an enforcement program for the PVPO, significant additions to both administrative and field operations staff would likely be required.

Administrative Staffing Impacts

NCCD administrative staff would be responsible for verifying NOD/REO status via county records and the Mortgage Electronic Registration System. Subsequently, they would be responsible for contacting owners/lenders of unregistered properties to request registration. In addition, administrative staff would perform a monthly review of the registration list to keep it current. Based upon similar administrative tasks, we assume that the initial verification and contact functions would amount to 0.7 hours per case. Follow-up activities would require another 0.2 hours per case per month, totaling 3.1 hours per case per year.

Based upon past enforcement practice, we assume that 30% of these properties will fail to register and need further enforcement action. Each case in violation would then require a further 0.5 hours to draft and send a Notice of Violation, 0.5 hours to follow-up and verify compliance

and 0.5 hours to invoice penalties. In sum, we assume 30% of these cases will require an additional 1.5 hours of administrative staff time.

Using case numbers provided by CPI, the 6,300 NOD/REO cases in 2010 would generate 22,365 administrative staff hours. The 4,607 NOD/REO cases from 2011 would generate 16,355 administrative staff hours. Given 2,080 possible regular working hours per year, we adjusted downward for holidays, vacation/sick days, staff training and meetings. We estimated that each employee could work on task for 1,800 hours per year. Using that estimation against the assumed case hours, implementation of the PVPO would require an additional 12.4 administrative staff positions for the 2010 cases or 9 administrative staff positions for the 2011 cases.

Field Operations Staffing Impacts

Under the PVPO, every case will need an initial inspection to verify if the property is vacant. If the properties are vacant, additional follow-up inspections will be required to determine if the properties are being maintained to standards required by the ordinance. Additional periodic inspections will also be required on all properties to confirm occupancy. Occupied properties would remain on the registry list but not be subject to maintenance inspections. Newly vacant properties would be subject to maintenance inspections.

CPI provided no information on vacancy rates for properties subject to NOD/REO status. While we do not necessarily believe that all of these properties will be vacant, we have no basis with which to assume a vacancy percentage for analysis. In the absence of that information, and given the fact that periodic follow-up inspections for vacancy will always be required, we analyzed the staffing impact based upon 100% vacancy.

The PVPO requires weekly maintenance inspections by the responsible party. Given that frequency, we assume that a field check of property conditions by NCCD could take place once a month. Taking travel and inspection time into account, we assume that each case will require 1 hour of field time per month for the initial and follow-up inspections. This amounts to 12 hours per case per year.

As discussed in the Administrative section, we also assume that 30% of the cases inspected will not comply with the regulations and require additional enforcement action. For each case in noncompliance, we assume an additional 2 hours of field staff time comprised of 0.5 hours for drafting and posting/mailing a Notice of Violation, 1.0 hour for a compliance inspection and 0.5 hours to invoice penalties.

Using the numbers provided by CPI, the 6,300 cases in 2010 would generate 79,380 field staff hours. The 4,607 cases from 2011 would generate 58,048 field staff hours. Assuming 1,800

hours per employee as above, proactive implementation of the PVPO would require an additional 44.1 field positions for the 2010 cases and 32.24 field positions for the 2011 cases.

Conclusion

While the numbers provided by CPI, and thus the associated analysis, are arguably subjective, the resulting numbers are large enough to indicate a significant impact upon implementation. A full proactive program could require up to 12 additional administrative and 44 additional field staff positions. Reactive programs traditionally require fewer resources; however, we have no information to suggest what that reduction may look like. If the program is popular with the public, or if a social service organization like CPI decided to play an active role in furnishing complaints, there may be little, if any, difference in the number of cases generated.

What is clear is that the PVPO could not be effectively implemented by folding it into existing staffing levels. In terms of comparison, NCCD presently has 33 field positions (13 Combination Building Inspectors, 15 Zoning Investigators, 4 Code Compliance Officers and 1 Field Representative) for all violation types citywide. There are 9 administrative staff members directly supporting code enforcement efforts out of 11 overall. The above analysis suggests that at worst, the Division would need to more than double in size to perform the additional work created by the PVPO.

In 2009, NCCD reduced and suspended enforcement on a number of violation types in response to reduced staffing levels. The reductions included suspension of the community volunteer program and a reduced capability to respond to vacant property issues. We are just now beginning to fill longstanding vacancies and reactivate some suspended programs including volunteers and vacant properties program as part of the expanded Abandoned Properties Ordinance. We continue to believe that the PVPO as proposed is redundant to our existing ordinance and that it needlessly regulates additional properties that present no problems to the community. We would rather expend our limited resources to solve present community problems and reactivate some of our suspended activities.

Robert A. Vacchi

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