



THE CITY OF SAN DIEGO
REPORT TO THE CITY COUNCIL

DATE ISSUED: March 26, 2008 REPORT NO: 08-046
ATTENTION: Public Safety and Neighborhood Services Council Committee
SUBJECT: Informational Report on the City's Vacant Properties Program
For the Agenda of April 2, 2008
REFERENCE: Foreclosed Vacant Single Family Dwellings

REQUESTED ACTION: Information Item Only

STAFF RECOMMENDATION: None

SUMMARY: This informational report is for the purpose of providing an overview of the City's Vacant Properties Program and to discuss foreclosed single family dwellings in the City.

Background:

The City of San Diego's Vacant Properties Program [VPP] is a leader in the field of code enforcement and community development. Since its inception in 1996, over 1,000 vacant properties have been rehabilitated as result of the program. In 2002, ICMA, International City/County Management Association conducted a Best Practices Case study of San Diego's program and considered it a "Model Program" due to its effective policies, procedures and coordinated proactive code enforcement practices. Over 10 cities in the United States including: Los Angeles, Las Vegas, Phoenix and Milwaukee have replicated San Diego's program.

The VPP was created as the result of a Vacant Properties Task Force initiative and consultant report and recommendations approved in 1996 by the Public Safety and Neighborhood Services Committee. The task force recommendations included: centralized procedures, a coordinated strategy to proactively address vacant properties, and the creation of a "Coordinator" position to manage all aspects of the program. The Council Committee rejected the task force recommendation to create a "Vacant Property Registry" and associated Registry Fees for vacant properties.

The VPP is currently administered by the Neighborhood Code Compliance Division [NCCD] of the Development Services Department. Program staff includes 2 full time positions, the VPP Coordinator position and a Combination Building Inspector position; both positions are currently funded by the General Fund and are budgeted at NCCD. Some of the responsibilities of the VPP Coordinator include: maintaining an inventory of boarded structures, enforcing San Diego Municipal Code Section 54.0301 et seq. governing vacant structures and providing technical assistance to owners of boarded properties.

The combination inspector is responsible for identifying code violations and for eliminating nuisance and dangerous conditions present at vacant structures that are unsecured and/or open to the public. Both positions work in partnership with concerned citizens, community groups, SDPD and Fire department staff in a proactive and interdisciplinary approach. In addition, NCCD regularly refers cases to the City Attorney's Code Enforcement Unit [CEU] for prosecution when the owner of the vacant property does not return it productive use in a timely manner.

Vacant structures in the City of San Diego are considered a public nuisance and a fire hazard. The Vacant Properties Ordinance was further amended in 2006 to enable the City to: 1) enhance existing abatement capabilities to remove vehicles from yards and to remove liquid waste as part of the administrative abatement process; 2) to require timely rehabilitation of substandard dwellings; and 3) to impose fines of up to \$5,000.00 per year.

The existing Vacant Properties Ordinance enables NCCD to administratively abate or to board, clean and secure vacant structures that are open and/or accessible to the public. The procedure for stabilizing a vacant unsecured structure is set forth in Division 6, Article 2 in Chapter 1 of the San Diego Municipal Code. NCCD typically issues a Notice and Order of Abatement requiring the responsible party to eliminate all the conditions that may pose a health, safety or fire hazard within 10 days. When the responsible party fails to comply, the City's Abatement Contractor is able to: board the structure and secure the premises; remove graffiti; remove solid and liquid waste; trim weeds; remove vehicles and debris; install a fence; and take all the necessary measures to protect the public's health and safety. The City is able to recover all the costs associated with the abatement via an administrative hearing. A lien is subsequently recorded on the property's title reflecting the City's costs.

Issue: How are foreclosed single family dwellings addressed by the VPP?

A recent increase in mortgage defaults resulting from nationwide sub-prime lending practices has increased the number of foreclosed homes in the City of San Diego. The period between when Notice of Default is issued and when the property is repossessed by the lender can range from 4-6 months. Often times, the last occupants are evicted by the lender. Some leave belongings or debris on the property, and when the property contains a pool, it often contains liquid waste.

One of the strengths of the VPP is the ongoing working partnerships with the SDPD, the Fire Department, Environmental Services, Water Department, code enforcement volunteers and citizen's groups throughout the city. Although VPP staff regularly conducts field investigations to proactively identify vacant properties, referrals of problem properties are often provided to NCCD by the above mentioned groups. The VPP highest enforcement priorities are: properties that have been referred to the VPP by SDPD or Fire Department; properties located along a mass transit route, a transient corridor or a homeless shelter; and properties near schools and public facilities.

To date, the vacant properties inventory contains 143 boarded structures and 48 unsecured structures. Forty percent of the current inventory includes foreclosed single family dwellings that are boarded up or vacant structures that are in the process of being boarded up or otherwise secured either by the lender or by the City. Currently, the VPP effectively addresses foreclosed

properties that are vacant and unsecured or vacant and boarded, yet it is estimated that over 400 vacant foreclosed properties remain outside the program's enforcement parameters because they are either secured without boards and/or a lack of nuisance activity.

Conclusion:

NCCD and the City Attorney's Office Code Enforcement Unit are considering loan default indicators in order to enhance the VPP capabilities to timely identify foreclosed properties that may become problematic in the future. In addition, staff analyzed vacant properties programs in Chula Vista and Cincinnati that include a "registry" for foreclosed properties. The programs implemented in both cities consider an inventory of over 1,000 foreclosed properties. Common characteristics of both programs include: a) the absence of an existing centralized code enforcement strategy with a coordinator; b) limited or no administrative abatement mechanism; and c) limited levels of funding for abatement costs.

The strength of the San Diego's VPP is a collaborative inter-agency and interdisciplinary approach to code enforcement and community development practice combined with adequate levels of funding for administrative abatement costs.

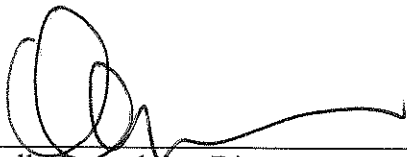
FISCAL CONSIDERATIONS: The City's existing budgetary constraints were taken into consideration during the analysis of the existing VPP.

PREVIOUS COUNCIL and/or COMMITTEE ACTION: A PS&NS Council Committee meeting was held on October 10, 2007 pertaining to neglected vacant residences. Staff was directed to analyze existing registry programs and to compare them with the VPP.


COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

In addition, staff will be working with the City/County Reinvestment Task Force staff to identify lenders with high risk loans and loan default indicators to proactively address foreseeable maintenance issues on properties which may be foreclosed upon.

KEY STAKEHOLDERS AND PROJECTED IMPACTS: In order to leverage existing VPP staffing resources, NCCD and the City Attorney's Office Code Enforcement Unit are conducting line-up training with SDPD to educate officers on how to identify foreclosed properties which may become problematic in the future.



Kelly Broughton, Director
Development Services Department
Originating Department


Bill Anderson, FAICP
City Planning and Community Investment
Deputy Chief/Chief Operating Officer

BV/nm