



City Council Report

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Sacramento, CA 95814

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File ID: 2018-01624

December 11, 2018

Public Hearing Item 26

Title: New Fees and Additional Staffing for the Vacant Lot Program (Noticed 11/30/2018 & 12/05/2018)

Location: Citywide

Recommendation: Adopt a Resolution: 1) amending the Fees and Charges Report to establish two new fees; 2) adding 2.0 FTE (1.0 FTE Customer Service Specialist and 1.0 FTE Customer Service Representative) for the vacant lot program; and 3) amending the Community Development Department FY2018/19 operating revenue and expenditure budget for \$90,000.

Contact: Tina Lee-Vogt, Program Manager, (916) 808-2679, Community Development Department

Presenter: Carl Simpson, Code and Housing Enforcement Chief, (916) 808-8183, Community Development Department

Attachments:

- 1-Description/Analysis
- 2-Resolution
- 3-Exhibit A

Description/Analysis

Issue Detail:

Ordinance Relating to Registration of Vacant Lots

On May 22, 2018, the City Council adopted Chapter 8.136 of the Sacramento City Code relating to registration of vacant lots establishing a program intended to prevent blight and ensure proper maintenance. Key provisions of the chapter include but are not limited to: requiring annual registration of vacant lots; requiring local contact representatives; defining nuisance vacant lots; requiring posted signage for nuisance lots; and establishing the vacant lot program and nuisance lot monitoring fees.

Implementation of Vacant Lot Program

The Code Compliance Division of the Community Development Department will administer and enforce the vacant lot program. In accordance with the ordinance, property owners must register their vacant lots annually. There are currently more than 6,000 vacant lots without buildings or structures. Of those, 4,200 are privately owned. Strategic implementation will be critical to ensure the success of the program. Extensive outreach will be conducted to vacant lot property owners in the current weed abatement database advising them of the new ordinance. Additionally, Code Compliance staff will coordinate with other City departments/divisions (e.g., Public Works, Parks Maintenance) to ensure city properties follow state and local laws. Online registration and payment system have been developed to streamline the registration process.

The Business Compliance unit of the Code Compliance Division will enforce requirements of the program. This includes enforcing registration of vacant lots and regularly monitoring and enforcing requirements of those properties deemed as a nuisance vacant lot. Additionally, Business Compliance will continue to enforce the weed abatement program ensuring proper maintenance of vegetation on vacant lots.

Proposed Fees

There are fixed costs for administering and enforcing the vacant lot program. The intent is to establish fees to recover program costs. The proposed fees address initial implementation of the newly adopted ordinance and include the vacant lot program fee and the nuisance lot monitoring fee.

Exhibit A of the resolution include the proposed fees related to the vacant lot program. These fees were created based on the costs to provide the services and are consistent with the *Code Enforcement Operational Fees and Penalties Study* conducted in October 2016. The proposed fees will offset the administrative and enforcement costs.

Violations of the City Code related to registration of vacant lots will be subject to administrative penalties. The penalty amount will range from \$100 to \$25,000 depending on the severity of the offense. It is anticipated that most minor offenses would start at the lower penalty for first violations and the amount would escalate with each repeated offense.

Policy Considerations: Increased health and public safety concerns justified the regulation of vacant lots. Staff recommends the City Council adopt the attached resolution related to the vacant lot program and forward it to the City Council for adoption. This charge is not a tax under Proposition 26, as it falls under Exception 3, a regulatory fee.

Economic Impacts: Lack of maintenance of vacant lots leads to blight and negatively impacts economic growth and development.

Environmental Considerations: Vacant lots that are not properly maintained may become fire hazards and illegal dumping of junk and debris create serious health safety problems.

Sustainability: None.

Commission/Committee Action: On November 8, 2018, the Budget and Audit Committee passed a Motion forwarding a resolution amending the Fees and Charges Report to establish two new fees and 2.0 FTE (1.0 FTE Customer Service Specialist and 1.0 FTE Customer Service Representative) for the vacant lot program and amending the Community Development Department FY2018/19 operating revenue and expenditure budget for \$90,000 to the City Council for adoption.

Rationale for Recommendation: Preventing blight and ensuring proper maintenance of vacant lots is important to keeping a healthy community. Implementation and enforcement of the vacant lot program requires administrative staff for the Business Compliance unit of the Code Compliance Division and associated fees to help offset costs.

Financial Considerations: Staff recommends the adoption of the proposed fees set forth in Exhibit A. The proposed fees are estimated to generate between \$165,000 to \$180,000 annually.

Staff also recommends the addition of 2.0 full -time equivalent (FTE) administrative positions for Business Compliance (Dept ID 21001314) and amending the Community Development Departments FY2018/19 operating revenue and expenditure by \$90,000 to cover the current year cost. The annual estimated cost for the positions is \$169,000.

The fees would directly offset the costs for the 2.0 FTE positions (1.0 FTE Customer Service Specialist and 1.0 FTE Customer Service Representative) required to properly register properties and additional costs for field operations to enforce the City Code. Exhibit A of the resolution details the proposed vacant lot program and nuisance lot program fees. Existing Code Compliance staff will handle program enforcement.

In addition to the program fees, administrative penalties will be imposed for violations of the City Code relating to the vacant lot program. A successful vacant lot program may result in reduced revenue from nuisance lot fees and penalties as violations should decrease over time.

Local Business Enterprise (LBE): None.

RESOLUTION NO.

Adopted by the Sacramento City Council

A RESOLUTION ESTABLISHING FEES AND STAFF FOR THE VACANT LOT PROGRAM

BACKGROUND

- A. Sacramento City Code 8.136 relating to registration of vacant lots was adopted on May 22, 2018.
- B. Section 8.136.040 of the Sacramento City Code authorizes the processing of fees related to the Vacant Lot Program.
- C. To implement the new Vacant Lot Program, additional staff resources are required.
- D. As part of the new Vacant Lot Program, new fees are set forth in Exhibit A.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. The City of Sacramento Fee and Charge Report, Community Development Department, is hereby amended as set forth in Exhibit A, to establish the fees authorized by Section 8.136.040 of the Sacramento City Code.
- Section 2. Exhibit A forms part of this resolution.
- Section 3. The City Manager or his designee is authorized to add the following 2.0 FTE to the Community Development Department to implement and administer the new Vacant Lot Program

Job Classification	FTE
Customer Service Specialist	1.0
Customer Service Representative	1.0

- Section 4. The City Manager is authorized to amend the Community Development Department FY2018/19 operating revenue and expenditure budgets by \$90,000 in the General Fund.

Table of Contents:

Exhibit A: Vacant Lot Program Fees

EXHIBIT A

VACANT LOT PROGRAM FEES

Fee Name: Vacant Lot Program Fee
Current Fee: \$0.00
Proposed Fee: \$65.00
Justification for Fee: Recover costs associated with the program.
Proposition 26: This charge is not a tax under Proposition 26, as it falls under Exception 3, a regulatory fee. The proposed fee will cover the department's cost to administer the program.

Fee Name: Nuisance Vacant Lot Monitoring Fee
Current Fee: \$0.00
Proposed Fee: \$275.00
Justification for Fee: Recover costs associated with the inspection of lots subject to mandatory inspection.
Proposition 26: This charge is not a tax under Proposition 26, as it falls under Exception 3, a regulatory fee. The proposed fee will cover the department's cost to schedule and perform inspections.