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AGENDA REPORT

TO: DEANNA J. SANTANA
CITY ADMINISTRATOR

FROM: Fred Blackwell
Assistant City Administrator

SUBJECT: Supplemental Report on
Newly Purchased Non-Owner
Occupied Residential Buildings

DATE: September 26, 2012

City Administrator
Approval

Deanna Santana

Date

9/27/12

COUNCIL DISTRICT: City-wide

RECOMMENDATION

Staff recommends that the City Council adopt the following legislation proposed by Councilmember Brooks:

AN ORDINANCE AMENDING THE OAKLAND MUNICIPAL CODE TO ESTABLISH A NEW CHAPTER 8.58 REQUIRING THE REGISTRATION AND INSPECTION OF TRANSFERRED, IMPROVED RESIDENTIAL REAL PROPERTY OF ONE TO FOUR UNITS THAT IS NOT OCCUPIED BY THE NEW OWNER AND THE ABATEMENT OF HEALTH AND SAFETY VIOLATIONS AND AMENDING THE MASTER FEE SCHEDULE TO PROVIDE NEW FEES FOR THIS ORDINANCE

ANALYSIS

Changes to Proposed Ordinance

At its meeting September 25, 2012, the Community and Economic Development Committee requested a number of changes to the proposed ordinance requiring the registration and inspection of targeted non-owner occupied properties, and additional information on implementation aspects.

1. The ordinance was revised to apply only to properties that have gone through the foreclosure process within the past six years, including properties that received a Notice of Default (NOD) and the property owner did not cure the default or completed foreclosure (Real Estate Owned or REO), as well as properties that were sold through trustee sale or short sale. The targeting of these properties is based upon reports of high rates of distressed property

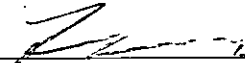
Item: _____
Council
October 2, 2012

conditions given the dynamics of the foreclosure process, including deferred maintenance by property owners in financial hardship, as well as extended periods of vacancy that have resulted in blighted and deteriorated interior conditions.¹

2. The ordinance was revised such that once registered properties have met City code compliance standards, the annual registration and inspection requirements would no longer apply.
3. Committee members requested a list of permits that would qualify for the exemption to the ordinance as well as a list of inspection standards. See **Attachment A** for the list of inspection standards used for foreclosed and defaulted properties. Staff proposes that this inspection standard also be used for properties under the non-owner occupied properties ordinance. Staff proposes that permits that are pulled to fix problems listed in the inspection standards would qualify for exemption under the proposed ordinance.

For questions about this report, please contact Margaretta Lin, Strategic Initiatives Manager, at 510-238-6314.

Respectfully submitted,


Fred Blackwell
Assistant City Administrator

Reviewed by:
Ray Derania, Building Official

Prepared by:
Margaretta Lin, Strategic Initiatives Manager
Department of Housing and Community Development &
Department of Planning, Building, and Neighborhood
Preservation

Attachment A: Inspection Standards

¹ See, e.g., Urban Strategies Council, *Who Owns Your Neighborhood? The Role of Investors in Post-Foreclosure Oakland* (June 2012); Policy Link, *When Investors Buy Up The Neighborhood: Preventing Investor Ownership from Causing Neighborhood Decline* (April 2010).

ATTACHMENT A

Inspection Standards

<u>Exterior Blight</u>	<u>Habitability</u>	<u>Secured Openings</u>	<u>Unapproved Use or Activity</u>
Overgrowth of Vegetation	Walls damaged	Windows closed and locked	Non-residential use of property, i.e. auto repair
Trash, Debris	Ceiling damaged	Doors closed and locked	An addition, alteration, or improvements without proper permits or City approval
Appliances, Furniture	Floors damaged/defective	Other building openings secured	Unapproved occupancy
Recyclables	Windows broken/inoperable	Fences to rear/side yard(s) in good condition with functioning gates that are locked	
Graffiti	Doors and window trim and framing missing/damaged/defective		
Car parts	Interior doors damaged/missing		
Improper open storage	Interior stairs and landings damaged/defective/missing		
Unlicensed/inoperable vehicle	Bathroom/Kitchen Cabinets and countertop damaged/defective/missing		
Trash can location	Plumbing system (faucets, vents, waterlines, gas lines) damaged/defective/missing		
Inadequate weather protection/Deteriorated Paint	Plumbing fixtures (faucets, sinks, toilets, bathtubs, etc.) damaged/missing		
Razor wire (per OMC 17.102.420)	Hot water heater damaged/missing		
Deteriorated screen fencing	Heating system (furnace, heaters, thermostat) damaged/missing		
	Electrical system (wiring, subpanel, circuits) damaged/missing		
	Electrical fixtures (light fixtures, switches, outlets) damaged/defective/missing		
	Smoke detectors damaged/missing		
	Vector infestation (e.g. rats, mice, cockroaches, insects)		
	Roof damage that caused/contributed to extensive mold		
	Lack of quick-release mechanisms on security bars over sleeping room windows		
	Lack of required light, ventilation, required minimum floor area, or required ceiling height in a habitable room		