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OFFICE OF THE CITY CLERK
OAKLAND

CITY OF OAKLAND

2010 MAY 13 PM 1:40

AGENDA REPORT

TO: Office of the City Administrator
ATTN: Dan Lindheim
FROM: Community and Economic Development Agency
DATE: May 25, 2010

RE: **An Informational Report On The Status Of Registering Foreclosed And Vacant Residential Buildings As Required By Oakland Municipal Code Chapter 8.54**

SUMMARY

The City Council recently adopted a new Chapter 8.54 in the Oakland Municipal Code (OMC) requiring the registration of residential buildings with less than five (5) units when lenders have foreclosed and all units have been vacant for thirty (30) days. To date, four foreclosed properties have been registered, and fourteen (14) lenders have been notified by mail of an additional eighteen (18) properties which must be registered in the new program (\$500 annual fee). The Community and Economic Development Agency (CEDA) is developing a foreclosure data base (recorded Notices of Sale) to send informational mailings to foreclosing lenders.

The Department of Information Technology (DIT) will "go-live" shortly with on-line payments on the City's website to support new electronic forms (e-forms) which the Building Services Division (BSD) is developing for foreclosed building registration, soft-story building registration, building permit application, permit inspection scheduling, and permit records request.

FISCAL IMPACT

This is an information report only. As such, no fiscal impacts are included.

BACKGROUND

In February 2010, the City Council adopted Ordinance No. 12991 C.M.S. which requires lenders who have foreclosed on a residential building with less than five (5) units to register the property with BSD when all units have been vacant for more than thirty (30) days:

PROGRAM PROTOCOLS	
APPLICABLE	REGISTRATION REQUIREMENTS
<input type="checkbox"/> no commercial spaces <input type="checkbox"/> less than 5 dwelling units <input type="checkbox"/> foreclosed & all dwelling units vacant for 30 days	<input type="checkbox"/> \$500 annual fee <input type="checkbox"/> registered within one month <input type="checkbox"/> property inspection report (clean, secure, no hazards) <input type="checkbox"/> posting on-site of the contact information for the maintenance agent

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To date, the following properties have been registered with BSD:

LENDERS REGISTERED WITH CEDA				
PROPERTY	DWELLING UNITS	FORECLOSING LENDER	REGISTERING AGENT	COUNCIL DISTRICT
2916 Linden Street	1	Bank of New York	Prudential California Realty	3
627 32nd Street	1	HSBS Bank USA	Prudential California Realty	3
842 Isabella Street	1	Wells Fargo Bank	Prudential California Realty	3
2027 42nd Avenue	1	GMAC Mortgage	individual	5

To date, BSD has notified the following lenders by mail of the registration program:

LENDERS NOTIFIED BY CEDA			
PROPERTY	DWELLING UNITS	FORECLOSING LENDER	COUNCIL DISTRICT
2601 9th Avenue	1	Wells Fargo Bank	2
2135 Filbert Street	1	Federal National Mortgage Assoc.	3
2530 Myrtle Street	4	City Bank	3
1696 16th Street	1	REO Homes LLC	3
1218 30th Street	1	Bank of New York	3
7400 Brookdale Avenue	1	US Bank	4
4112 Harbor View Avenue	1	City Bank	4
2116 48th Avenue	1	Gross Mortgage Corporation	4
2130 50th Avenue	1	Avelo Mortgage LLC	4
2112 51st Avenue	2	Fremont Investment & Loan	4
2015 E 28th Street	1	Federal National Mortgage Assoc.	5
2156 Harrington Avenue	3	Fremont Investment & Loan	5
2661 Havenscourt Boulevard	3	Bank of America	6
4401 Redding Street	1	IMB REO LLC	6
4519 Redding Street	1	Deutsche Bank	6
8600 Thermal Street	1	Indy Mac Venture LLC	7
1143 79th Avenue	4	Federal National Mortgage Assoc.	7
1308 94th Avenue	1	Deutsche Bank	7

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A registration form and information pamphlet (*Exhibit A*) are enclosed in each notification letter.

KEY ISSUES AND IMPACTS

Identification

CEDA's existing data base for foreclosed properties is derived from Notices of Default filed by lenders with the Alameda County Recorder. It is used to send information mailings concerning occupants' options. Because this data base does not identify lenders' contact information (or Notices of Sale), BSD has been researching its Code Enforcement data base to identify lender-owned properties and conducting site inspections to identify vacant buildings, which is a resource-intensive methodology. CEDA is developing a companion data base to identify lenders and their contact information when Notices of Sale are recorded. BSD will integrate this data into its legacy computer system (PTS) to produce notification mailings and to schedule follow-up site inspections.

On-Line Registration and Payment

The Building Services Division (BSD) is developing several on-line electronic forms (e-forms) on the City's website to request selected services. Property owners, contractors, and the general public will have an alternative to the conventional methods for contacting BSD staff (public counter, telephone, facsimile, mail, e-mail, courier). The following e-forms are being developed by DIT and by BSD's Electronic Document Management System (EDMS) vendor:

- o permit applications
- o permit inspection scheduling
- o foreclosed and vacant building registration
- o permit records request
- o soft-story building registration

The EDMS software (Stellent) enables BSD staff to transfer data submitted on the e-form directly into BSD's legacy Permit Tracking System (PTS).

The Department of Information Technology (DIT) is developing an on-line payment capability (credit/ debit card and automated check handling) for the City's website which will allow individuals and institutions to pay fees when submitting e-forms to BSD. Payments will be automatically posted to BSD's general ledger accounts (Fund 2415) in the Oracle financial system. BSD staff will manually update PTS's financials.

Property Maintenance

OMC Chapter 8.54 requires that foreclosing lenders complete a property inspection (clean, secure, no hazards) and identify a property manager (firm or individual located within 25 miles) who is responsible for periodically monitoring the premises, maintaining the building securely, and keeping the yards clean. The maintenance firm's contact information must be posted on-site

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(typically, on the front door). The annual fee (which is deposited in BSD's Code Enforcement account) includes the cost for an inspector to visit the property and verify that signage is posted and the premises are clean and secure.

SUSTAINABLE OPPORTUNITIES

Economic: Continuing maintenance of vacant buildings by property owners is a necessary component of an effective revitalization program for distressed neighborhoods and a major element for curtailing opportunistic crime.

Environmental: Environmental considerations are applied when applicable (debris disposal, lead based paint remediation, vector control, etc.).

Social Equity: Maintained properties support the social fabric of neighborhoods.

DISABILITY AND SENIOR CITIZEN ACCESS

State and City requirements for handicapped accessibility are not applicable for minor residential buildings.

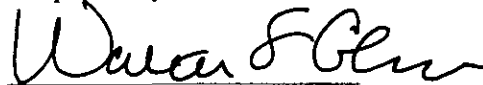
RECOMMENDATIONS

Staff recommends that the Committee accept this report and forward it to the City Council.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council accept this report.

Respectfully submitted,



Walter S. Cohen, Director
Community and Economic Development Agency

Prepared by:

Raymond M. Derania
Deputy Director - Building Official
Building Services Division

APPROVED AND FORWARDED TO THE COMMUNITY
AND ECONOMIC DEVELOPMENT COMMITTEE:

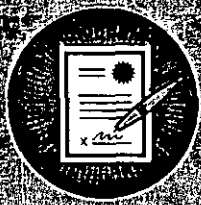

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MUNICIPAL CODE REGULATIONS	
Chapter	Description
1112	Administrative Penalty
8105	Business Tax
8104	Animal Control
8121	Hazardous Materials
8124	Property Blight
10104	Abandoned Vehicles
12104	Sidewalk Maintenance
12386	Protected Trees
13108	Building Sewers
15104	Building Construction
15108	Building Maintenance
15112	Fire Code
15164	Bedroom Window Bars

CONTACTS	
DEPARTMENT	TELEPHONE
Zoning	510/238-3911
Business Tax	510/238-3704
Fire Prevention	510/238-3851
Code Enforcement	510/238-3381
Vehicle Abatement	510/777-8538
County Hazardous Waste Disposal	800/606-6606




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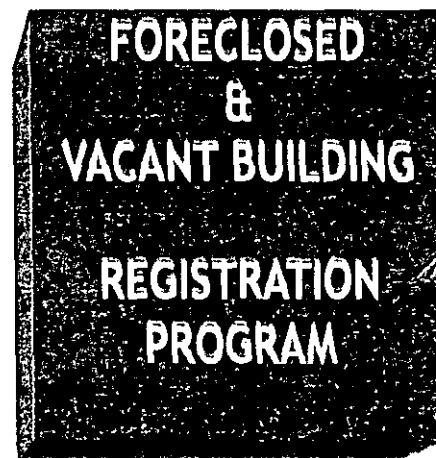


EXHIBIT A

Oakland Municipal Code
Chapter 8.54

PERMIT CENTER - REGISTRATION PROGRAM

Information 510/238-3891
Facsimile 510/238-2263

Business Hours
Mon - Tues - Thurs - Fri 8:00 am - 4:00 pm
Wed 9:30 am - 4:00 pm



CITY of OAKLAND
COMMUNITY & ECONOMIC
DEVELOPMENT AGENCY

Building Services
Permit Center - 2nd Floor
Dalziel Administration Building
250 Frank H. Ogawa Plaza
Oakland, CA 94612
510/238-3891
www.oaklandnet.com

Registration Program

Oakland Municipal Code Chapter 8.54 applies to foreclosed residential buildings with less than 5 dwelling units which have been vacant for more than 30 days. Property owners, property managers, mortgagors, executors, trustees, etc. are responsible for registering vacant residential buildings, paying fees, and monitoring the property for blight, hazardous conditions, and trespassing.

Program Purpose

The purpose of the program is to protect and preserve the livability, appearance, and social fabric of the City by requiring owners and others who may control a property, rather than neighbors or Code Enforcement staff, to inspect vacant residential buildings periodically.

Statement of Registration

A Statement of Registration form must be filed at the Permit Center not more than 30 days after the foreclosed building has been vacant for 30 days. An inspection report of the exterior yard and building interior must be submitted with the Registration form. The owner or an approved property manager whose office is located within 25 miles must re-inspect the property periodically to assure that the yard is maintained (OMC Chapter 8.24) and the building is secured (OMC Chapter 15.08). The contact information for the owner or property manager must be posted on the building. The City will inspect the property following the filing of the Registration form.



Fees

Fees* must be paid when a Statement of Registration is filed and annually thereafter.

FEE	AMOUNT
Processing	\$390
Inspection	\$110
Total	\$499

*Fees are subject to increase at any time.

Vacant or Occupied

Residential Buildings

The program does not apply unless all of the dwelling units in a foreclosed residential building are vacant. One or more dwelling units must be physically occupied on a continuing basis by the owner or a legal tenant.

Mixed - Use and Commercial Buildings

The program does not apply to buildings which have commercial tenant space

Collections

Unpaid fees, penalties, and accruing interest are subject to the following collection actions.

Lien - A priority lien can be recorded on the property title and will be superior to all other recorded liens and deeds of trust.

Taxes - Unpaid fees and penalties can be included on the property tax bill (general levy).

Garnishee - A judgment action can be filed in Superior Court to attach wages and assets of owners and others having control of the foreclosed vacant building.

Maintenance Plan

The owner and property manager must be identified on the Statement of Registration. A maintenance plan must be included which describes the means, methods, and time frames for re-inspecting the property.

Maintenance Standards

Premises - Trash, debris, unregistered/inoperative vehicles, tires, etc. must be removed. Landscaping must be trimmed and grass cut (6" maximum height). Fencing must be repaired. Pools must be drained. Feral pets, insects, rodents, etc. must be removed.

Building - Graffiti, posters, etc. must be removed. Broken glazing, doors, guardrails, and signs and leaking roofs must be repaired. Sink/tub/shower drains must be primed with vegetable oil or capped. Gas appliance valves must be turned-off. Deteriorated exterior paint must be restored.

Trespassers - Breached openings must be boarded and painted to City Specifications. Utility meters must be removed.

Hazardous Material - Pesticides, herbicides, solvents, caustics, flammables, paints, etc. must be removed.

Location: County Hazardous Waste Disposal
2100 E. 7th Street, Oakland

Site Posting

The name, mailing address, and telephone number of the owner or property manager must be posted on the front door for neighbors to contact.



Penalties and Fines

Penalties (OMC Chapter 1.12) and Fines (Civil Code Section 2929.3) may be assessed against owners or others having control of a foreclosed and vacant residential building for failing to register, pay fees, maintain the premises, or secure the building.

ASSESSMENT	AMOUNT
Municipal Code Penalty	\$500 per day Up to \$5,000
Civil Code Fine	\$1,000 per day

*Penalties may be appealed to an independent hearing officer hired by the City.

