

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: GABE OSBURN, PLANNING AND ECONOMIC DEVELOPMENT
DIRECTOR
SUBJECT: CONSIDERATION OF AN ORDINANCE AND ASSOCIATED
COMPLIANCE PROGRAM PERTAINING TO THE INSPECTION,
MAINTENANCE AND REGISTRATION OF REAL PROPERTIES
WHICH EXIST AS UNMAINTAINED VACANT LOTS OR WHICH
CONTAIN VACANT OR ABANDONED BUILDINGS

AGENDA ACTION: ORDINANCE INTRODUCTION AND RESOLUTION

RECOMMENDATION

It is recommended by the Planning and Economic Development Department that the Council: 1) introduce an ordinance amending Titles 9 and 18 of the Santa Rosa City Code by repealing Chapter 9-24 pertaining to Administrative Enforcement of COVID-19 Public Health Orders, adding a new Chapter 9-24 pertaining to the Inspection, Maintenance and Registration of Real Properties and amending Section 18-20.302.4; 2) approve a resolution amending the City Classification and Salary Plan to add 1.0 FTE, three-year limited term Code Enforcement Officer and 2.0 FTE, three-year limited term Housing and Community Services (Code Enforcement) Technicians to the Code Enforcement Section and appropriating \$134,148 from the General Fund reserves; and 3) set an annual registration fee to recover staffing costs associated with program implementation.

EXECUTIVE SUMMARY

The Planning and Economic Development Department recommends that the Council adopt an ordinance amending Titles 9 and 18 of the Santa Rosa City Code. The proposed amendment will repeal the obsolete COVID-19 public health order regulations within Chapter 9-24 and add a new Chapter 9-24 establishing a comprehensive regulatory framework for unmaintained vacant lots and properties with vacant or abandoned buildings. Lastly, the ordinance proposes amendments to Section 18-20.302.4 of the Santa Rosa Municipal Code clarifying language regarding the definition of weeds.

The Planning and Economic Development Department is also proposing that the Council amend the City Classification and Salary Plan to add 1.0 FTE, three-year

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limited term Code Enforcement Officer and 2.0 FTE, three-year limited term HCS (Code Enforcement) Technicians to the Code Enforcement Section. The additional staffing and the associated ordinance will allow the department to develop and implement a Vacant Building and Lots Program for a three-year period. The purpose of the program is to address the pressing issues associated with neglected vacant properties, including unmaintained buildings and lots and their adverse impacts on the community. As conceived, the ordinance and the associated compliance program will foster responsible property ownership through a combination of education, outreach, and active enforcement. In addition, the Planning and Economic Development Department is proposing that a \$1,040 annual registration fee be adopted by the Council to cover staffing costs associated with the compliance efforts directed towards unmaintained vacant parcels and structures registered into the program.

BACKGROUND

In 2017, staff initiated the development of a program to address vacant buildings and lots and mitigate emerging trends signaling decline. Over the intervening years, the effort to craft this ordinance was delayed in part due to the unprecedented fires and pandemic that impacted the city. With the advent of additional PED staffing in 2022, it became possible to rededicate resources to the completion of this essential ordinance.

Prior to development of the draft ordinance, staff pursued community outreach and participated in several meetings designed to solicit public input. These included a presentation to the Downtown Action Organization (DAO) Subcommittee on 7/12/23 and a joint presentation before the DAO, Railroad Square Association and Board of Realtors on 8/2/23. Staff additionally made a presentation to the Economic Development Subcommittee on 7/31/23. Information gleaned from these meetings informed final development of the ordinance currently proposed.

ANALYSIS

Current GIS data and recent statistics on vacancy rates estimate that approximately 2,800 properties fall under the category of a vacant lot or include vacant buildings. The total number of parcels in these categories will ebb and flow with time. Vacant parcels and lots are often addressed through private development proposals, which can be difficult to predict year to year.

Unmaintained vacant lots and vacant or abandoned buildings pose a range of detrimental consequences that extend beyond visual aesthetics. These properties, when left unmaintained, can harbor criminal activity and compromise public safety. Moreover, these properties and structures can attract pests and vermin, posing health hazards and creating negative impacts on adjacent parcels.

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In addition to potential health and safety concerns, unmaintained vacant parcels and structures have the ability to impact and delay the economic revitalization of the surrounding areas. By eliminating blight, the City enhances its attractiveness to businesses and residents, fosters investments, encourages economic growth, and maintains the integrity of property values in the surrounding areas.

Ensuring proper maintenance of vacant lots and buildings contributes directly to the enhancement of community well-being. A safe, healthy, and aesthetically pleasing environment fosters a sense of community pride and social cohesion, encouraging residents to engage in neighborhood activities and fostering a sense of belonging. This, in turn, strengthens the social fabric of the community and promotes a more vibrant and resilient city.

The proposed ordinance and the associated Vacant Building and Lots Program (VB/L) are designed to address the pressing issues associated with neglected vacant properties, including unmaintained buildings and lots and their adverse impacts on our community. As conceived, the ordinance and the associated compliance program will foster responsible property ownership and, by employing an educational approach, will revitalize communities by incentivizing proactive property maintenance. The successful implementation of this initiative will yield substantial benefits, including:

- Preventing and reversing neighborhood blight and decline
- Improving and incentivizing public patronage of businesses and public spaces
- Increasing property values
- Decreasing the pervasiveness of illegal activities
- Enhancing overall well-being and quality-of-life within the City
- Decreasing the prevalence of additional vacant buildings
- Ensuring public safety

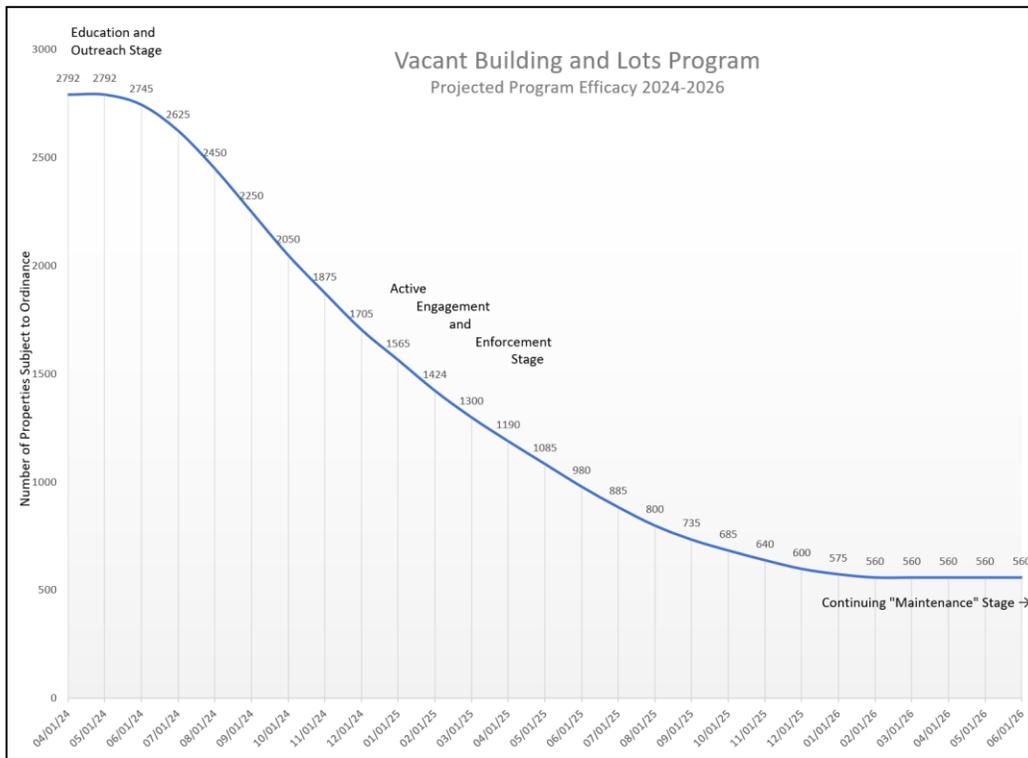
The proposed ordinance builds upon historic code requirements by introducing new regulations intended to mitigate the negative impacts associated with unmaintained vacant lots and vacant or abandoned buildings. These regulations represent a significant step forward in enhancing community well-being and fostering a vibrant and healthy urban environment. Under the current proposal, property owners who proactively and adequately maintain their properties would not be subject to the ordinance's requirements. However, for those who fail to meet their responsibility, the ordinance establishes clear-cut registration and monitoring requirements, as well as rigorous standards for securing and maintaining properties. Individuals who continue to violate the ordinance would be subject to administrative enforcement, which could include the assessment of administrative citation fines or prosecution.

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In keeping with the Code Enforcement discretionary best practice of “education and resource-based enforcement,” a key aspect of this ordinance is its intent to provide property owners with an opportunity to avoid being subject to its more rigorous requirements. The ordinance recognizes that there are circumstances where properties are, or can quickly reach a state of, being adequately maintained, and therefore seeks to provide relief to property owners who are already fulfilling their maintenance responsibilities. For those property owners who may find themselves fully subject to the ordinance, the ordinance provides additional opportunities for the owner to avoid remaining subject to its requirements in the future upon a demonstration that the property is being, and will continue to be, adequately maintained.

Staff anticipates that the VB/L program, if approved, would commence fully in 2024 upon the recruitment of staffing resources. The first three months of the program would focus on an education and outreach campaign aimed at raising awareness and achieving voluntary compliance to the highest degree possible, thereby reducing the number of properties ultimately subject to the program. Transition to active engagement and enforcement would occur in the fourth month, with staff endeavoring to align with the start of FY24-25 in order to simplify financial projections. During active engagement and enforcement, staff projects an increasing number of properties achieving compliance or registering with the program, reflecting known statistical tendencies in Code Enforcement case compliance and acknowledging anticipated increases in cumulative compliance rates over time. An estimate of the projected efficacy of the program (dates used are notional) is illustrated in the following chart, below:

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As this projection reflects, and as is frequently observed with other focused enforcement efforts, this program is expected to reach a “maintenance” stage. This typically occurs at the point of implementation where the number of open cases stops falling, and a consistent base level of properties continues to remain in (or cycle in and out of) the program. In this estimate, between 500 and 600 properties could be subject to the ordinance at any given point in time once this stage is reached.

Staff will be implementing a dynamic inspection system to better offset resource demands, factoring in the varying time required for inspections at distinct stages of the program. Inspections conducted during the education and outreach stage are expected to take 10 minutes or less, while inspections conducted later in the program could likely exceed 30 minutes or more. This approach balances against the number of properties managed at each program interval, providing a reasonable estimate of staff resource needs. The assessment is also specifically designed not to impact existing Code Enforcement operations, and broadly considers and factors out time for “inspections”, and for all other “administrative” duties (driving, paperwork, communications, and similar activities). Structural considerations for staffing and resource needs are explored in greater detail in the Fiscal Impact section of this staff report, below.

The initiation of the Vacant Building and Lots Program will focus on outreach. Staff will proactively inspect and identify properties subject to the program city-wide and engage

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in targeted communications. This outreach may include sharing information through mailers and the City's website, collaborating with community partners, direct communication, and similar methods.

After this initial phase, staff will transition to active enforcement, requiring vacant property owners to register their properties to comply with the ordinance's rules. Registration will involve completing an application packet with information including but not limited to, an acknowledgment of the ordinance's requirements, current contact information for the property owner or their representative, an authorization for inspections by Code Enforcement or Police Department staff, a Police Department and other necessary documents. The annual registration fee must accompany the application.

Continuous monitoring of both registered and non-registered properties will happen throughout each workweek. While property owners will receive ongoing communication with corrections and recommendations for compliance, they may also be subject to administrative citation fines or prosecution for persistent violations.

The long-term vision is to reach a maintenance stage, where a majority of registered properties achieve lasting compliance and can exempt out of the program, resulting in a smaller, stable number of active ongoing cases. Staff will continue proactive city-wide monitoring inspections of both registered and non-registered properties throughout the life of the program, ensuring sustained compliance with the ordinance's requirements.

FISCAL IMPACT

Once established, the Ordinance is designed to convey a net-zero cost impact to the City's General Fund. The VB/L program currently envisions a registration fee of \$1,040 per calendar year, which is based on the average number of inspections conducted over the 12-month cycle and the associated staffing costs. Following the assumptions and metrics detailed above, staff is projecting the following revenue schedule across the defined phases of the program:

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	<div style="display: flex; justify-content: space-between;"> <div style="writing-mode: vertical-rl; transform: rotate(180deg);">Start (Last Quarter FY 23-24)</div> <div style="writing-mode: vertical-rl; transform: rotate(180deg);">Education and Outreach</div> <div style="writing-mode: vertical-rl; transform: rotate(180deg);">Active Engagement and Enforcement</div> <div style="writing-mode: vertical-rl; transform: rotate(180deg);">Continuing Maintenance and Enforcement</div> <div style="writing-mode: vertical-rl; transform: rotate(180deg);">Continuing Maintenance and Enforcement</div> </div>				
Fiscal Year	23-24	24-25	25-26	26-27	
Lots reviewed for Compliance	0%	2%	25%	50%	75%
Projected New Registrations	0%	3%	27%	7%	Minimum
Projected Renewals	0%	0%	13%	20%	20%
Total Projected New Registrations and Renewals	0%	3%	40%	27%	20%
Projected Unregistered	100%	95%	35%	20%	10%
Projected Revenue Offset - New Registrations	\$0	\$87K	\$784K	\$203K	Minimum
Projected Revenue Offset - Renewals	\$0	\$0	\$377K	\$581K	\$581K
Total Projected Revenue	\$0	\$87K	\$1.2M	\$784K	\$581K

Revenue projections are conservative in nature and exclude Administrative Citation fines. The inclusion of Administrative Citation fines, which is the principal enforcement tool for the program, could potentially add \$200K or more during each year of the program. These projections similarly exclude non-commercial properties, which, although subject to the ordinance, are not expected to be a significant part of the VB/L program.

Beyond the temporary program period, staff estimates an ongoing maintenance caseload of between 500 and 600 properties per year, reflecting property owners unable or unwilling to comply with the ordinance, new noncompliant properties, and previously compliant properties that subsequently return to a state of noncompliance. Toward the conclusion of the program interval, staff will conduct a reassessment of its success to better determine how the future of the program could best be administered beyond the defined 3-year period.

The program envisions the addition of 1.0 FTE, Code Enforcement Officer and 2.0 FTE, HCS (Code Enforcement) Technicians to the Code Enforcement Section as minimum required staffing to meet the actual needs of the program. Due to the initial, 3-year limited duration of this program, the terms of these positions would be similarly limited in scope pending program reassessment in its final year. The program considers total salaries, benefits, services, equipment, and supplies, including the acquisition of the three staff vehicles required to facilitate the program. These anticipated expenditures are shown in the table below:

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	FY 23/24 (last quarter only)	FY 24/25	FY 25/26	FY 26/27
	Salary, 70% benefits, services & supplies			
Code Enforcement Officer	\$48,824	\$189,062	\$198,265	\$207,928
Housing & Community Services Technician	\$38,912	\$147,429	\$154,550	\$162,028
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Total salary, benefits, services & supplies	\$126,648	\$483,920	\$507,365	\$531,984
Three motor pool vehicles				
Ongoing costs:	\$7,500	\$32,400	\$34,992	\$37,791
TOTAL EXPENDITURES	\$134,148	\$516,320	\$542,357	\$569,775

As identified above, the proposed positions and vehicle expenses are considered essential as minimum required staffing needed for the initial success of the program. The Code Enforcement Officer position will be tasked to manage the overall program, conduct inspections, enforce compliance, and interact with property owners, while the two Housing & Community Services Technicians are crucial support positions which conduct additional inspections and reinspections, perform administrative tasks, maintain accurate records, and ensure smooth program operations overall.

As an anticipated net-zero program to the General Fund, projected expenditures are forecast not to exceed projected program revenues, which are based upon the number of properties that will pay registration and renewal fees each year. The registration fee amount has been established to be full cost recovery.

Initial funding for the program as proposed will come from the General Fund. Revenue generation is expected to begin in late fiscal year 2023-2024 to early fiscal year 2024/2025, with full self-sustainability anticipated by the second half of the latter fiscal year. Upon achieving financial independence from the General Fund, PED recommends directing program and Administrative Citation related revenues toward bolstering the Administrative Hearing and Administrative Abatement Funds, further enhancing staff's ability to efficiently and effectively invest in the continuing improvement of the overall community.

RECOMMENDATION

It is recommended by the Planning and Economic Development Department that the Council 1) introduce an ordinance amending Titles 9 and 18 of the Santa Rosa City Code by repealing Chapter 9-24 pertaining to Administrative Enforcement of COVID-19 Public Health Orders, adding a new Chapter 9-24 pertaining to the Inspection, Maintenance and Registration of Real Properties and amending Section 18-20.302.4 and 2) approve a

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resolution amending the City Classification and Salary Plan to add 1.0 FTE, three-year limited term Code Enforcement Officer and 2.0 FTE, three-year limited term HCS (Code Enforcement) Technicians to the Code Enforcement Section and appropriating \$134,148 from the General Fund reserves, and 3) set an annual registration fee to recover staffing costs associated with program implementation.

ENVIRONMENTAL IMPACT

The Council finds that the proposed action is exempt from the provisions of the California Environmental Quality Act (CEQA) under sections 15061(b)(3) and 15378 of the CEQA Guidelines as there is no possibility that the implementation of this action may have significant effects on the environment, and no further environmental review is required.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not Applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

- Ordinance
- Resolution/Exhibit A – Staff Costs

PRESENTER

Lou Kirk, Assistant Chief Building Official