



AGENCY:	City Council
MEETING DATE:	October 11, 2017
DEPARTMENT:	CDD
PRESENTED BY:	S. McCormick

AGENDA ITEM SUMMARY

TITLE:

RECEIVE STAFF REPORT AND CONSIDER COMMUNITY DEVELOPMENT COMMITTEE RECOMMENDATION REGARDING POLICY APPROACHES TO ADDRESS VACANT RESIDENTIAL AND COMMERCIAL PROPERTIES IN FORT BRAGG AND PROVIDE DIRECTION TO STAFF

ISSUE:

At the July 24, 2017 City Council meeting, Vice Mayor Lee requested that an inventory of vacant residential and commercial properties in Fort Bragg be developed and options be identified to address vacant property issues, in order to increase the inventory of rentable housing units in Fort Bragg and thereby support the economy.

Staff researched several data sources to determine the number of properties that are currently vacant. Staff also explored the policy and program options of other jurisdictions for addressing residential and commercial vacancies.

On September 26th the Community Development Committee discussed the issue, considered the presented policy and program options and directed staff to proceed slowly by starting this effort with a vacant property owner survey. This survey would be completed to determine the reasons that properties remain empty. Some possible reasons why property owners choose not to rent or sell vacant properties include:

- 1) Buildings may be in need of costly repairs in order to be rentable;
- 2) Some people invest in properties for future appreciation and/or retirement and have no intention of renting them;
- 3) Some landlords have had negative experiences with tenants and choose to keep a property vacant rather than rent it out; and
- 4) Some properties are caught in limbo with owners in nursing homes or deferred in a family trust.

By contacting property owners directly a better understanding of what motivates or constrains property owners can be developed to help inform City Council's policy and program choices.

ANALYSIS:

The following data sources were referenced to determine how many vacant properties are in Fort Bragg:

- US Census American Community Survey, an ongoing household survey by the US Census Bureau;
- The USPS Postal Vacancy List, providing addresses where mail has not been collected for over 90 days.
- City of Fort Bragg Utility Billing Report, a list utilized to identify inactive water meters.

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- Fort Bragg Inland General Plan Housing Element 2014, a study that reflects the existing and future housing needs of the City. It is required by California Department of Housing and Community Development (HDC) and updated every 4 years.
- Central Business District Surveys completed by Community Development Department in 2014 and 2017.

City Staff was able to identify 61 properties in Fort Bragg which have been vacant for a relatively long period of time.

The table below introduces policy and programmatic approaches utilized by other communities. The table also includes staff's analysis of the relative level of effort and the effectiveness of each policy or program. As noted previously the Community Development Committee indicated that they would like a better understanding of the reasons for vacancy in Fort Bragg prior to proceeding with a course of action to address the issue.

Potential Policy Approaches to Reduce Vacancy in Fort Bragg			
Program/Policy	Description	City Effort	Impact/Result
Vacant Property Owner Survey	A survey of vacant property owners to determine the reasons why properties are vacant and not rented or sold. This survey might help the City to better develop a set of strategies to deal with the reasons that properties are being held vacant.	Medium	Low
Vacant Property Registration Ordinance	A vacant property registration ordinance would require property owners to register their vacant units with the City and pay a small registration fee. The information is used by the City to contact owners and explain their responsibilities in meeting relevant codes requirements: such as not allowing windows to be boarded up, keep lawns mowed, etc. This would allow for more proactive code enforcement.	Low	Medium
Annual Vacancy Fee	Some cities charge an annual fee, often with a graduated fee schedule, (increasing each year the property remains vacant) to motivate property owners to restore, rent or sale a property.	Low/Medium	Medium
Strategic Code Enforcement	Strategic Code enforcement includes coordinated code enforcement with	Medium/High	Medium

	cost recovery to abate violations of statues or ordinances relating to property maintenance and vacancy. Successful code enforcement offers incentives for responsible ownership along with penalties for irresponsible behavior.		
Vacant Property Receivership	Receivership is often a remedy of last resort, as it is a costly investment on part of the City. It is an important tool for unresponsive or irresponsible property owners unwilling to bring buildings into compliance. Receivership involves court hearings and the temporary transfer of the property to a receiver to rehabilitate the vacant property. Typically the receiver is a third party who addresses code deficiencies and provides the owner with an opportunity to purchase back the building. If the former owner is unable or unwilling to purchase back the building for the cost of repairs, the building is sold with the proceeds covering the cost of repair.	High	High
Good Landlord Incentives	These programs are typical in larger communities with very large landlords and include: incentives such as training programs, a single point of contact in City Hall, direct and indirect financial incentives such as free/subsidized safety inspections or rebates of licensing fees.	Low/Medium	Low/Medium
Rental Registration	Rental registration gives the City an opportunity to communicate property owner obligations under city ordinances. It could also be an opportunity to provide support and advice. Rental registration would apply to all rentals, not specifically to vacant properties.	Low	Low
Rental Licensing	Rental Licensing combines a registration process with an inspection. This would allow the City to establish compliance with health and safety issues in order to upgrade substandard units. Currently the City requires a Business License for all residential rentals in town. However	Medium	Low

	very few rentals are actually licensed.		
Vacancy Prevention	Staff could open a dialogue with property owners who have delinquent property taxes (There are 53 property owners who have property tax delinquencies with 62 properties). Staff could link property owners with non-profit and government agencies for assistance in an effort to prevent property degradation.	Medium	Low/Medium

RECOMMENDED ACTION:

The Community Development Department directed Staff to complete a Vacant Property Owner Survey and bring findings to Community Development Committee for further discussion.

ALTERNATIVE ACTION(S):

1. Recommend one or more policy approaches for Staff to develop before bringing back to Community Development for further consideration;
2. Take no action at this time.

FISCAL IMPACT:

Preparation of a Vacant Property Owner contact list, survey, follow-up meeting will require efforts by City staff and postage cost. Staff anticipates that completing this survey would take about 80 hours of work.

CONSISTENCY:

This effort would be consistent with

IMPLEMENTATION/TIMEFRAMES:

It will take a couple months to create a list of owners with vacant property in Fort Bragg and mail a letter containing a paper survey form with a link to an electronic survey. Request a phone call or in-person meeting as a follow-up to gain more clarity.

ATTACHMENTS:

None.

NOTIFICATION:

1. Notify Me List: Fort Bragg Downtown Businesses, Economic Development Planning, Affordable Housing, Vacation Rentals