



Legislation Text

File #: 19-437, **Version:** 1

Report Prepared by: Phaedra A. Norton, City Attorney

SUBJECT: Acceptance of Court Approved Receivership Reimbursements, Appropriation of \$29,341 to the Substandard Housing Special Recovery Fund for Fiscal Year 19/20, and Authorization for Continuous Appropriation to Said Fund of Costs Recovered by the Code Enforcement Task Force

REPORT IN BRIEF

Authorizes acceptance and appropriation of reimbursements for City costs and fees from Court-approved receiverships for public nuisance abatement pursuant to the Substandard Building Abatement Program in FY 19/20.

RECOMMENDATION

City Council - Adopt a motion:

- A. Accepting reimbursements from the Court appointed Receiver and authorizing appropriation of \$29,341 to account 077-1005-522-29-00 (Substandard Housing Special Recovery) for FY 19/20; and,
- B. Authorizing any receipts of Substandard, Dangerous, or Nuisance abatement and cost recovery funds for FY 19/20 to be approved for appropriation on a continuous basis to the Substandard Housing Fund; and,
- C. Authorizing the Finance Officer to make the necessary budget adjustments.

ALTERNATIVES

1. Approve as recommended by staff; or,
2. Approve, subject to conditions other than recommended by staff; or,
3. Deny; or,
4. Continue to a future meeting.

AUTHORITY

Charter of the City of Merced, Article XI. Fiscal Administration, Section 1105 Budget-Appropriations.

CITY COUNCIL PRIORITIES

This action is consistent with the City Council's priorities to address substandard properties within the City that pose immediate threats to health and public safety.

DISCUSSION

The City is utilizing the California Health and Safety Code Receivership section to resolve difficult code enforcement matters in both commercial and residential areas. Receivership is a legal process through which control of real property is temporarily taken from the owner(s) and placed with a court-appointed officer-the Receiver. These receiverships are used for abandoned and substandard properties where the owner(s) has a history of noncompliance with the City's code enforcement efforts or, in emergency situations, where the real property presents an immediate threat to health and safety.

The receivership option is a comprehensive process that eliminates substandard conditions or uninhabitable slum-like properties and allows the referring agency, when it is the prevailing party, to recuperate its enforcement costs. This process also communicates to the public that the City is actively protecting residents and tenants from dangerous conditions created by absentee or non-responsive property owners.

In FY 18/19, the City entered into a Legal Services Agreement with Silver & Wright, LLP for code enforcement and receivership activities. Actions in these cases were paid for through the Substandard Building Abatement Program authorized by the City Council in FY 18/19. In FY 19/20, code enforcement and receivership activities are being handled in-house by the City Attorney's Office. Funding for the code enforcement and receivership activities in FY 19/20 is through receivership recovery funds only. Receivership cost recovery is not immediate and reimbursement can range from a few months up to a year. As such, the City was not in receipt of recovery funds prior to the approval of the FY 19/20 Budget in order to offset incurred legal expenses in FY 19/20.

In order to ensure prompt payment of future expenses and invoices, along with continued funding for the receivership program, it is recommended that an appropriation adjustment of \$29,341 received to date be approved and that additional reimbursements, if any, received in FY 19/20 be approved for appropriation on a continuous basis to the Substandard Housing Fund.

IMPACT ON CITY RESOURCES

Approval of the appropriation adjustment will designate \$29,341, as well as additional reimbursements in FY 19/20 to the Substandard Housing Fund.

ATTACHMENTS

1. Presentation