

# Property Value Protection Ordinance

Presentation to City-County Reinvestment Task Force

September 20, 2012

Office of Councilmember David Alvarez

# The Problem

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- ▶ Since 2008, nearly 57,000 foreclosures in the City of San Diego
- ▶ Many homes are neglected and fall into disrepair
- ▶ These houses attract crime, illegal dumping, and can present fire hazards
- ▶ If owner unavailable or unresponsive, City must send staff out to abate the violation



# The Problem

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- ▶ In addition to affecting the quality of life for residents, nuisance structures drag down property values in the surrounding area.
- ▶ Lower property values result in lower property tax revenues for the City.
- ▶ Enforcement is problematic:
  - ▶ Foreclosed residents have little financial or legal incentive to respond
  - ▶ Title holder may be unclear as lending institutions can sell loans repeatedly



# PVPO: On the Ground









# Statewide Framework

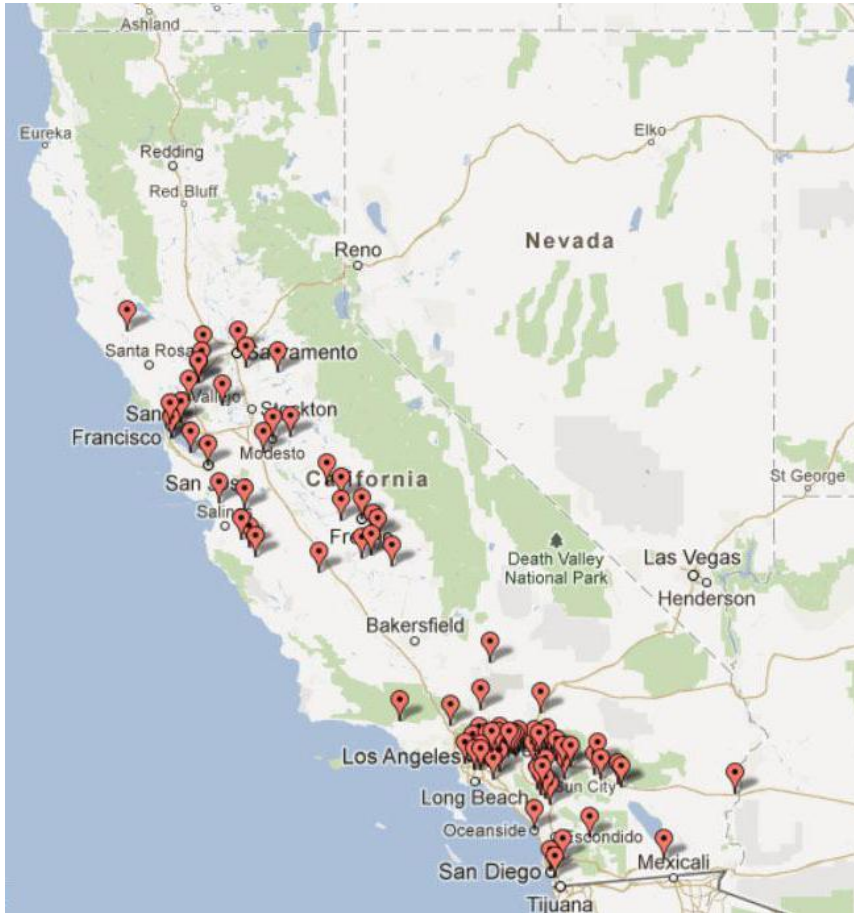
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- ▶ **July 2008: Governor Schwarzenegger signs SBI 137 into law**
  - ▶ Authorizes local governments to impose civil fines of up to \$1,000 per day for failure of a lender or other purchaser in foreclosure to maintain vacant residential property in good condition and repair
- ▶ **August 2012: Governor Brown signs AB2314 into law**
  - ▶ Renews SBI 137 (Set to expire January, 2013)
  - ▶ Ensures local jurisdictions continue to have the tools to prevent and fight neighborhood blight due to foreclosures





# Municipal Precedent - Foreclosure Registry Ordinances



- ▶ More than 700 Vacant Property Registration Ordinances nationwide
- ▶ Approximately 100 California municipalities or counties have enacted such ordinances
- ▶ Locally, Chula Vista, Murrieta, and Santee have ordinances covering foreclosure registries

# Property Value Protection Ordinance (PVPO)

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- ▶ **Creates a City-owned registry of foreclosed homes**
  - ▶ Who owns property
  - ▶ Who is responsible for maintenance
  - ▶ Where to contact responsible party
- ▶ **Initiates proactive inspections to help prevent nuisance properties**
  - ▶ Representative numbers of inspections (not one-to-one)
  - ▶ Inspections are cost-recoverable
  - ▶ Method to be developed by Code Enforcement
- ▶ **Imposes fines on lenders that are non-compliant**
  - ▶ Goal is compliance, not imposing fines



# PVPO Community Outreach

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- ▶ Presented to Land Use & Housing Committee on July 11, 2012
  - ▶ Endorsed by the Community Planning Committee at their October 2011 meeting
  - ▶ Over 30 community presentations
  - ▶ Over 2000 city residents contacted about PVPO
  - ▶ Three educational town hall forums in areas most affected by foreclosures and blighted homes in Logan, South East San Diego and City Heights.
  - ▶ National coverage: in Fox Business News & the Huffington Post
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# PVPO Next Steps

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- ▶ RTF Presentation – Current
- ▶ PVPO harmonized with APO – September
- ▶ TAC Presentation – October
- ▶ City Attorney finalizes ordinance – October
- ▶ PVPO heard at City Council – October
- ▶ Second reading of PVPO – November
- ▶ PVPO implementation – December



# Requested Actions

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- ▶ **Share your stories**
  - ▶ Keep our office informed of issues in your neighborhoods
  - ▶ Let us know about your implementation concerns/needs
- ▶ **Statement of Support**
  - ▶ Individual or RTF letters



# Contact Information

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- ▶ **Office of Councilmember David Alvarez**
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