




# City of Carson Report to Mayor and City Council

February 19, 2013  
New Business Discussion

**SUBJECT: CLARIFICATION OF FEE AND DEPOSIT FOR VACANT/FORECLOSED  
RESIDENTIAL PROPERTY REGISTRATION PROGRAM**

  
Submitted by Clifford W. Graves  
Director of Community Development

  
Approved by David C. Biggs  
City Manager

## **I. SUMMARY**

The City Council introduced a foreclosure registration program ordinance at the meeting of February 5, 2013. Also at that meeting, the Council directed that the deposit be raised from \$150.00 to \$450.00. Discussions with other communities with similar programs have led to the conclusion that the deposit should be eliminated and the registration fee raised to \$450.00. Councilman Gipson has asked that this be on the agenda for the Council to consider these fees.

## **II. RECOMMENDATION**

DIRECT staff to include a \$450.00 foreclosure registration fee and no deposit in the City's resolution of fees and charges.

## **III. ALTERNATIVES**

TAKE another action the City Council deems appropriate.

## **IV. BACKGROUND**

The program provides the City with the authority to assess penalties for irresponsible property owners and provides financial resources to track and maintain vacant properties. When presented to the Council earlier this month, the program included a \$150.00 fee and a \$150.00 deposit. Thinking this may not be sufficient to cover actual costs, the Council raised the deposit to \$450.00. Other communities report that the deposit is an administrative burden for all parties involved. They suggest it would be in everyone's interest to raise the fee to \$450.00 and eliminate the deposit altogether.

The revised rates can be included in the City's resolution of fees and charges. The ordinance itself is on the agenda for second reading.

## **V. FISCAL IMPACT**

There are upfront and administrative costs which are expected to be recovered through program registration fees. The program is expected to sustain itself through registration fees and anticipated assessments. The revised fee will help ensure the program is not a cost burden to the city.

**VI. EXHIBITS**

February 5, 2013, staff report. (pg. 3-8)

Prepared by: Barry Waite, Business Development Manager

TO: Rev09-04-2012

Reviewed by:

City Clerk	City Treasurer
Administrative Services	Public Works
Community Development	Community Services

**Action taken by City Council**

Date \_\_\_\_\_ Action \_\_\_\_\_



# City of Carson Report to Mayor and City Council

February 5, 2013  
New Business Discussion

**SUBJECT: CONSIDER ORDINANCE NO. 13-1510 AMENDING THE CARSON MUNICIPAL CODE ARTICLE V. CHAPTERS 7 AND 9, TO ESTABLISH A VACANT/FORECLOSED RESIDENTIAL PROPERTY REGISTRATION PROGRAM**

Submitted by Clifford W. Graves  
Director of Community Development

Approved by David C. Biggs  
City Manager

## **I. SUMMARY**

At the November 7, 2012 meeting, the City Council directed staff to draft an ordinance and take the necessary steps to establish and implement a foreclosure registration program. The ordinance is presented for the City Council's consideration.

## **II. RECOMMENDATION**

TAKE the following actions:

1. WAIVE further reading and INTRODUCE Ordinance No. 13-1510 "AN ORDINANCE OF THE CITY OF CARSON, CALIFORNIA, AMENDING ARTICLE V, CHAPTER 7 (PROPERTY MAINTENANCE) AND ARTICLE V. CHAPTER 9 (RESIDENTIAL PROPERTY REGISTRATION) OF THE CARSON MUNICIPAL CODE, INCLUDING AMENDMENTS TO SECTIONS 5702, 5902, 5910 AND 5913."
2. AUTHORIZE staff to issue a Request for Qualifications for professional data collection services pertaining to implementing a foreclosure registration program.

## **III. ALTERNATIVES**

1. MODIFY and INTRODUCE Ordinance No. 13-1510 as the City Council deems appropriate
2. TAKE another action the City Council deems appropriate.

## **IV. BACKGROUND**

### **A. Foreclosure Crisis and City Council Response**

Residential foreclosures rates are forecast to continue at high levels through 2016. In addition, many property owners have simply abandoned these foreclosed properties. In order to protect neighborhoods from blight resulting from inadequate maintenance and security of foreclosed properties, a number of California cities require the owners to register with the City until the property is sold. In most cities, the cost of the program is offset by registration fees. Through

an ordinance, cities are able to take preventive measures in future blight management and code violations. Moreover, the ordinance (foreclosure residential program) gives the City a mechanism to recover costs associated with code enforcement while preserving the property tax revenue base.

In response, the City Council took action. At its November 7, 2012 meeting, the City Council directed staff to take the necessary steps to implement a Foreclosure Registration Program (FRP) and to draft an ordinance (Exhibit No. 1). Since that time, staff has worked with the City Attorney to draft an ordinance (Exhibit No. 3) and taken steps to begin implementation of the Foreclosure Registration Program. However, a few major steps remain.

#### **B. Foreclosure Registration Program**

The program provides the City with the authority to assess penalties for irresponsible property owners and provides financial resources to track and maintain vacant properties. This is accomplished through the following steps. First, the FRP charges a registration fee of approximately \$150.00 per parcel. In addition, the FRP requires an approximately \$150.00 deposit to cover potential costs of remediation. Second, upon transfer of the property, the deposit funds are returned unless fines were incurred. The enclosed application (Exhibit No. 2) and ordinance (Exhibit No. 3) provide details on the City's approach to administering a foreclosure registration program.

#### **C. Request for Qualifications for Professional Services**

An important component of the FRP implementation is to procure professional data collection services. Cities that use a FRP typically contract with consultants to facilitate the tracking, billing and compliance of the banks and property owners through the foreclosure process. Moreover, it gives the City 24-hour access to citywide residential foreclosure data. If authorized, staff will report back to Council with proposals from qualified professional service providers along with a cost structure.

The following information reflects the specific language included in the ordinance and complimentary amendments. The proposed ordinance makes the following changes to Chapters 7 and 9 of the Carson Municipal Code (CMC):

#### **D. Amends definitions in Chapter 7 and Chapter 9**

1. "Beneficiary" means a lender under a promissory note to pay money secured by a deed of trust on property. The word beneficiary as used in Chapters 7 and 9 means and includes any assignee or successor to such beneficiary, whether such assignee or successor acquires its interest in the beneficiary's promissory note before or after a note of default is recorded. In the event that a property may provide security for the loan or obligation

of more than one beneficiary, the beneficiary who causes its notice of default to be recorded shall be responsible for registering the property as set forth in Chapters 7 and 9.

E. Amends the Property Maintenance requirements in Chapter 7

1. Properties which are abandoned or vacant shall be, in comparison to the neighborhood standard, maintained by the beneficiary and kept free of weeds, dry brush, dead vegetation, trash, junk, debris, building materials, any accumulation of newspapers, circulars, flyers, notices (except those required by federal, state or local law), discarded personal items including but not limited to furniture, clothing, large and small appliances, printed material or any other items that give the appearance that the property is abandoned. The beneficiary shall maintain such property free of graffiti, tagging or similar markings by removal or painting over with an exterior grade paint that matches the color of the exterior of the structure. In general, the maintenance of an abandoned or vacant property by the beneficiary shall comply with the standards set forth in Section 7.040 and HUD Mortgagee Letter 2007-03, dated January 25, 2007, or such other standard as may hereafter be ordered in writing addressed to the beneficiary by the Chief Building Official. Adherence to the maintenance and monitoring standard set forth in this section does not relieve the beneficiary/trustee or property owner of any obligations set forth in any covenants, conditions and restrictions and/or homeowners' association rules and regulations which may apply to the property.
2. Each property which is acquired by a beneficiary following the recordation of a notice of default, whether acquired by such beneficiary by foreclosure, deed in lieu of foreclosure or judgment of foreclosure, shall be maintained by the beneficiary so as not to constitute a public nuisance under Chapter 7 of the CMC and other applicable laws, for so long a period of time as the beneficiary may own such property.

F. Amends the definition of Foreclosed Vacant Residential Property in Chapter 9

1. The beneficiary or its agent shall register the property with the Chief Building Official, on forms provided by the City within ten (10) days from the earlier of the following dates: (i) the date a notice of default is recorded on a property; or (ii) the date of a default inspection which indicates that the property is vacant or abandoned. The provisions of subsection (i) of the preceding sentence of Section 5902(d) shall apply to each property for which a notice of default is recorded on or after July 31, 2010.
2. Property which is acquired by a beneficiary following the recordation of a notice of default, whether acquired by such beneficiary by foreclosure, deed

in lieu of foreclosure or judgment of foreclosure, shall also be subject to compliance with the provisions of CMC Section 5902, upon the sale, exchange, transfer or other conveyance of such property by the beneficiary to a third person.

3. Property which is vacant or abandoned at the time of acquisition by a beneficiary, whether acquired by such beneficiary by foreclosure, deed in lieu of foreclosure or judgment of foreclosure shall also be subject to compliance with the provisions of CMC Section 5902, prior to the earlier date of either: (i) re-occupancy of such property by any tenant of the beneficiary; or (ii) sale, exchange, transfer or other conveyance of such property by the beneficiary to a third person.

- a. Property which is occupied by either the trustor or a tenant of the trustor at the time of acquisition by a beneficiary, whether acquired by such beneficiary by foreclosure, deed in lieu of foreclosure or judgment of foreclosure, shall also be subject to compliance with the provisions of CMC Section 5902 prior to the earlier date of either: (i) the re-occupancy of such property by any successor tenant to the trustor or such other successor tenant to the tenant in possession of the property at the time of the beneficiary's acquisition of the property; or (ii) sale, exchange, transfer or other conveyance of such property by the beneficiary to a third person.

- G. Amends Chapter 9 with a new section "Notice by Beneficiary to City of Disposition of Registered Property"

Within ten (10) days following the release of a notice of default and the reinstatement of the loan of the trustor, the beneficiary or its agent shall give the City written notice of such release and reinstatement.

Within ten (10) days following the sale, transfer or conveyance to a third person of a property registered with the City under Chapter 9, the beneficiary or its agent, shall give the City written notice of such sale, transfer or other conveyance together with current contact information for such bona fide purchaser/successor-in-interest to the beneficiary in such property.

- H. Amends Chapter 9 with a new section "Re-Registration of Property"

The beneficiary or its agent shall annually renew a registration of each property which the beneficiary has previously registered with the City under Chapter 9, and in which such beneficiary retains either an equitable or legal interest as of

the first anniversary of the registration of such property with the City. The beneficiary or its agent shall re-register the property on forms provided by the City.

The provisions of Section 5902(e), shall apply to each property for which a notice of default was recorded on or after October 1, 2009.

I. Amends Chapter 9 “Refunds, Fees and Penalties”

Fees and charges for the administration of the regulatory program established by Chapter 9 shall be set by resolution of the City Council including without limitation the fee for registering with the City a property for which a notice of default has been recorded, and a separate fee for registering with the City a property which either the beneficiary or the City has found to be vacant or abandoned.

J. Chapter 9, Section 5913(e) was repealed in its entirety.

K. Amends Chapter 9 “Fine for Failure to Timely Register Property”

Notwithstanding any other provision of this Chapter or Chapter 1 or Chapter 7 to the contrary, the City may impose a fine on a beneficiary for its failure to timely register a property with the City under Chapter 9 in the following amounts:

- (i) Two Hundred and Fifty Dollars (\$250.00) for the first violation in the 12 months preceding the date of such violation;
- (ii) Five Hundred Dollars (\$500.00) for the second violation in the 12 months preceding the date of such violation;
- (iii) One Thousand Dollars (\$1,000.00) for the third and each subsequent violation in the 12 months preceding the date of such violation.

The special fine amount provisions of Section 5910 shall be applicable to citations issued on or after March 1, 2013 by the City under Chapter 7 of the CMC to a beneficiary for a violation of this Chapter 9.

- L. Amends Chapter 9 with a new section "Special Provisions Where Property is Encumbered with Security Interests of Multiple Beneficiaries"

In the event that a property is encumbered by the security interests of more than one beneficiary at the time when a notice of default is recorded, the beneficiary who causes a notice of default for its security interest to be recorded shall be responsible for registering the property with the City as provided in Sections 5902 and 5910.

Upon the recordation of a notice of default on a property by any beneficiary, regardless of the security lien interest priority of such beneficiary in the property in relation to the priority of the security interests of the other beneficiaries in the same property, the City, in its discretion may elect to enforce the provisions of Chapter 9 against one or more beneficiaries who have not separately recorded a notice of default against the property.

The aforementioned changes to the City of CMC, if approved, represent significant progress in the establishment and implementation of the City's Foreclosure Registration Program. The remaining steps to implement the Foreclosure Registry are as follows:

1. City Council adopt ordinance
2. Solicit professional services contract
3. Award professional services contract
4. Coordinate with affected Divisions
5. Establish expense and revenue accounts
6. Register Properties

**V. FISCAL IMPACT**

There are upfront and administrative costs which are expected to be recovered through program registration fees. The program is expected to sustain itself through registration fees and anticipated accessments. Details will depend on what is included in the final ordinance.

**VI. EXHIBITS**

1. Minutes, November 7, 2012, Item 9. (pg. 8)
2. City of Carson Foreclosure Registration Application. (pgs.9-15)
3. Draft Ordinance No. 13-1510. (pgs. 16-23)





**CITY OF CARSON  
REGULAR MEETING  
OF THE CITY COUNCIL**

**CITY HALL COUNCIL CHAMBERS  
701 EAST CARSON STREET  
CARSON, CA 90745**

**THE CARSON CITY COUNCIL REGULAR MEETINGS ARE BROADCAST LIVE VIA TIME  
WARNER CABLE CHANNEL 35 AND AT&T U-VERSE CHANNEL 99 AS WELL AS VIA THE  
INTERNET AT: [HTTP://CL.CARSON.CA.US](http://cl.carson.ca.us)**

**FEBRUARY 19, 2013**

**5:00 P.M.**

**AGENDA POSTED: FEBRUARY 14, 2013**

“In accordance with the Americans with Disabilities Act of 1990, if you require a disability related modification or accommodation to attend or participate in this meeting, including auxiliary aids or services, please call the City Clerk’s office at 310-952-1720 at least 48 hours prior to the meeting.” (Government Code Section 54954.2)

**CALL TO ORDER:**

**ROLL CALL:**

---

**CLOSED SESSION (None) 5:00 P.M. – 5:45 P.M.**

---

---

**REPORT ON CLOSED SESSION**

---

**CITY COUNCIL  
REGULAR BUSINESS MEETING  
6:00 P.M.**

**FLAG SALUTE:     ANDREW GONZALEZ, CAROLDALE LEARNING COMMUNITY**

**INVOCATION:**     On May 16, 2006, the City Council unanimously approved the offering of a brief invocation at the commencement of all meetings of the City Council or Redevelopment Agency. In doing so, the City Council is cognizant of its legal obligation to assure that such invocations are “legislative prayers,” and that they do not purport to advance any particular religion or religious denomination.

Consistent with the so-called “Burbank” prayer decision, the City Council hereby admonishes those who offer invocations to do so consistent with the current state of the law – meaning that an invocation must not be used to identify, advance, or urge a particular religious denomination, or identify a specific religion’s deity. This evening we are pleased that our invocation will be offered by: **PASTOR LAMBARD LYNCH, ALL NATION SEVENTH DAY BAPTIST CHURCH, GARDENA**

**APPROVAL OF MINUTES:**

**TUESDAY, JULY 3, 2012 (REGULAR)**

---

**NOTICE TO THE PUBLIC**

**Public testimony may be given on any agenda item as it is called and will be LIMITED TO THREE MINUTES PER SPEAKER. Please fill out a Speaker Form in order to be identified correctly in the minutes. The forms are provided on the podium in the Council Chambers. All Speaker Forms must be given to the City Clerk/Agency Secretary at the beginning of the meeting.**

---

**INTRODUCTIONS**

---

- A. INTRODUCTION OF LOS ANGELES COUNTY SHERIFF'S DEPUTIES**
- B. MIKE HARRIEL, PUBLIC AFFAIRS MANAGER, SOUTHERN CALIFORNIA GAS COMPANY**

---

**ORAL COMMUNICATIONS – MEMBERS OF THE PUBLIC**

This is the appropriate time for members of the general public to address the **Council on items not on the posted Agenda but are items of interest that are within the subject matter jurisdiction of the Council.** Any person wishing to speak at this time is requested to complete a Speaker Form, available on the podium or by the Public Agenda Binder in the Council Chamber. **ORAL COMMENTS WILL BE LIMITED TO THREE (3) MINUTES PER SPEAKER. Under the provisions of the Brown Act, no action can be taken on these items, and there can be no dialogue or discussion of the items with the Council other than to place it on the Agenda for a future meeting if appropriate.**

---

**NEW BUSINESS CONSENT (Items 1-4)**

---

These items are considered to be routine items of COUNCIL business and have, therefore, been placed on the CONSENT CALENDAR. If COUNCIL wishes to discuss any item or items, then such item or items should be removed from the CONSENT CALENDAR. For items remaining on the CONSENT CALENDAR, a single motion to ADOPT the recommended action is in order.

---

- ITEM NO. (1) CONSIDERATION OF A PROFESSIONAL SERVICES AGREEMENT TIME EXTENSION WITH TCM GROUP, INC., TO PROVIDE CONSTRUCTION MANAGEMENT SERVICES FOR PROJECT NO. 919: WILMINGTON AVENUE INTERCHANGE MODIFICATION AT THE I-405 FREEWAY (PUBLIC WORKS DEPARTMENT)**

**THIS IS A JOINT AGENDA ITEM WITH SUCCESSOR AGENCY ITEM NO. 2**

RECOMMENDATION for the City Council:

TAKE the following actions:

1. APPROVE a Professional Services Agreement Time Extension with TCM Group, Inc., to provide Construction Management Services for Project No. 919: Wilmington Avenue Interchange Modification at the I 405 freeway; until December 31, 2015.
2. ACCEPT the name modification from TCM Group, Inc., to TCM Group, Inc., a Hill International Company.
3. AUTHORIZE the Mayor to execute the revised Professional Services Agreement, following approval as to form by the City Attorney.

ACTION:

**ITEM NO. (2)      CONSIDERATION OF A CHANGE ORDER TO AN ENVIRONMENTAL SERVICES AGREEMENT WITH ATKINS FOR PREPARATION OF AN ENVIRONMENTAL IMPACT REPORT FOR THE SHELL SPECIFIC PLAN (COMMUNITY DEVELOPMENT DEPARTMENT)**

RECOMMENDATION for the City Council:

1. APPROVE the change order request for an amount not to exceed \$62,843.00.

ACTION:

**ITEM NO. (3)      CONSIDER INCREASING THE CONTRACT WITH MDG ASSOCIATES, ALLOCATING ADDITIONAL COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS TO THE NEIGHBORHOOD PRIDE PROGRAM AND AMENDING THE PROGRAM GUIDELINES TO SERVE MULTI-FAMILY STRUCTURES (COMMUNITY DEVELOPMENT DEPARTMENT)**

RECOMMENDATION for the City Council:

TAKE the following actions:

1. APPROVE Amendment No. 1 to the agreement with MDG Associates to increase the amount by \$45,000.00 and extend the agreement for one additional year.
2. ALLOCATE \$300,000.00 from uncommitted grant funds to the Neighborhood Pride Program.
3. APPROVE modifying the Neighborhood Pride Program guidelines to allow the use of funds for multi-family buildings.
4. AUTHORIZE the Mayor to execute Amendment No. 1 to the agreement following approval as to form by the City Attorney.

ACTION:

**ITEM NO. (4)            CONSIDERATION TO APPROVE A PROFESSIONAL SERVICES AGREEMENT WITH P.A. ARCA ENGINEERING, INC., TO PREPARE THE PROJECT PLANS, SPECIFICATIONS AND ESTIMATES FOR PROJECT NO. 1355: VETERANS PARK ATHLETIC FIELD RENOVATION (PUBLIC WORKS DEPARTMENT)**

RECOMMENDATION for the City Council:

TAKE the following actions:

1.     APPROVE a Professional Services Agreement with P.A. ARCA Engineering, Inc., for the preparation of construction plans, specifications and estimates for Project No. 1355: Veterans Park Athletic Field Renovation for a negotiated fee not-to-exceed \$48,192.00.
2.     AUTHORIZE the Mayor to execute the Professional Services Agreement following approval as to form by the City Attorney.
3.     MAKE the California Environmental Quality Act (CEQA) finding that the proposed Veterans Park Athletic Field Renovation is categorically exempt pursuant to Section 15301, 15301 (d) and 15301 (h) of the CEQA guidelines.
4.     AUTHORIZE staff to record the "Notice of Exemption" in the office of the Los Angeles County Clerk, for Project No. 1355: Veterans Park Athletic Field Renovation.

ACTION:

---

**DEMANDS (Item 5)**

---

**ITEM NO. (5)            RESOLUTION NO. 13-014 RATIFYING CLAIMS AND DEMANDS IN THE AMOUNT OF \$3,438,930.45, DEMAND CHECK NUMBERS 108530 THROUGH 108775**

ACTION:

---

**SPECIAL ORDERS OF THE DAY (None)**

---

**Any person wishing to testify is requested to complete a speaker card, available on the podium in the Council Chambers. TESTIMONY WILL BE LIMITED TO THREE MINUTES PER PERSON. Any subject of controversy will be limited to a total of fifteen minutes of testimony per side; those wishing to address the Agency/Council are requested to select three speakers to represent your opinion.**

---

---

**UNFINISHED BUSINESS (Item 6)**

---

**ITEM NO. (6)            CONSIDER REQUEST FROM MAYOR DEAR TO REMOVE FROM THE TABLE COMMISSION, COMMITTEE AND BOARD APPOINTMENTS (CITY CLERK)**

RECOMMENDATION for the City Council:

1. CONSIDER the request from Mayor Dear and PROVIDE direction.

ACTION:

---

**NEW BUSINESS DISCUSSION (Items 7-9)**

---

**ITEM NO. (7) CONSIDER DESIGNATING AN OBSERVER AT THE MARCH 5, 2013 CITY OF CARSON GENERAL MUNICIPAL ELECTION (CITY MANAGER)**

RECOMMENDATION for the City Council:

1. DETERMINE whether to request a third party, with elections law and procedures expertise to act as an observer at City of Carson's March 5, 2013 General Municipal Election.

*Should the City Council determine to request an observer at Carson's General Municipal Election on March 5, 2013, the City Council should:*

2. DIRECT staff to confirm the scheduling of an individual from the Los Angeles County Registrar-Recorder/County Clerk's Office or the California Secretary of State's Office to serve as an observer.

ACTION:

**ITEM NO. (8) CONSIDERATION OF FY 2012/2013 MID-YEAR BUDGET REVIEW (ADMINISTRATIVE SERVICES)**

RECOMMENDATION for the City Council:

TAKE the following actions:

1. REVIEW and DISCUSS.
2. APPROVE the mid-year adjustments recommended by the City Manager.

ACTION:

**ITEM NO. (9) CLARIFICATION OF FEE AND DEPOSIT FOR VACANT/FORECLOSED RESIDENTIAL PROPERTY REGISTRATION PROGRAM (COMMUNITY DEVELOPMENT DEPARTMENT)**

RECOMMENDATION for the City Council:

DIRECT staff to include a \$450.00 foreclosure registration fee and no deposit in the City's resolution of fees and charges.

ACTION:

---

**ORDINANCE SECOND READING: (Item 10)**

---

**ITEM NO. (10)      ORDINANCE NO. 13-1510: AN ORDINANCE OF THE CITY CARSON, CALIFORNIA, AMENDING ARTICLE V, CHAPTER 7 (PROPERTY MAINTENANCE) AND ARTICLE V. CHAPTER 9 (RESIDENTIAL PROPERTY REGISTRATION) OF THE CARSON MUNICIPAL CODE, INCLUDING AMENDMENTS TO SECTIONS 5702, 5902, 5910 AND 5913**

ACTION:

---

**ORAL COMMUNICATIONS I (STAFF)**

---

---

**ORAL COMMUNICATIONS II (COUNCIL)**

---

---

**COUNCIL MEMBERS PRESENT REQUESTS TO ADD ITEMS TO FUTURE AGENDAS**

---

---

**UNFINISHED/CONTINUED CLOSED SESSION ITEMS**

---

---

**ADJOURNMENT**

---