



MEMORANDUM

TO: HONORABLE MAYOR &
CITY COUNCIL

FROM: Rachel Flynn

SUBJECT: Vacant Property Registry

DATE: January 30, 2015

City Administrator

Date

Approval **/s/ Donna Hom**

1/30/15

INFORMATION

The purpose of this memorandum is to provide an update on the status of the creation of a registry for vacant lots and vacant ground floor commercial properties, and a preliminary timeline for the proposed development, input and approval process.

Background

In June 2014 the City Council adopted Resolution No. 85025 C.M.S. directing staff to return to Council within 120 days with proposed legislation to create a registry for vacant lots and vacant ground floor commercial properties (“Registry”). A copy of the resolution is attached to this memorandum (see *Attachment*).

Vacant lots and vacant ground floor commercial properties that are vacant for lengthy periods of time can create blight in the city’s commercial corridors by attracting illegal activities such as vandalism and dumping, discourage new businesses from moving to these commercial corridors, deter customers from patronizing existing businesses, depress the overall economic vitality of the area, decrease potential business tax revenue for the City, and drain City resources to address blight and related conditions.

Owners of vacant lots and vacant ground floor commercial properties in some cases prefer to leave properties vacant until the market conditions improve rather than lower the price/rent to sell, lease, or develop the properties, or do not otherwise make reasonable efforts to productively use the properties.

The Registry could assist in addressing the above issues by providing a data resource for the benefit of property owners, City agencies, and the public, and by incentivizing the sale or leasing of properties and their productive use.

Status of Registry

The Planning and Building Department currently does not have sufficient staff resources to develop the proposed legislation to create the Registry. Since June 2014 staff has focused on completing other projects as directed by the Council, including the Broadway Valdez District Specific Plan, the West Oakland Specific Plan, the Lake Merritt Station Area Plan, the Coliseum Area Specific Plan, the Housing Element, the Urban Agriculture Regulations, and the new regulations pertaining to Unattended Donation and Collection Boxes.

Recently the Department's Strategic Planning Division, which is responsible for the above work and for developing the Registry, lost two staff members (or one-third of the total staff), including the staff person assigned to creating the Registry.

This year staff anticipates focusing on a number of high-priority Council-directed projects including the Impact Fees Nexus Study, Downtown Specific Plan, Mobile Food Regulations, Condo Conversion Ordinance, Secondary Unit Regulations, and Parking Regulations. Many of these projects have already been substantially delayed. Redirecting staff resources away from the above projects to the Registry would further delay work on these projects.

The Department recently initiated a recruitment process to hire more staff and expects to have new staff available to work on projects, including the Registry, in May. These additional staff members would allow us to work on the Registry at that time.

Timeline

On Thursday, January 29, 2015, the Rules Committee scheduled an Informational Report on the Registry for the July 14, 2015, meeting of the Community and Economic Development Committee. The Informational Report will provide a status update on the Registry and include additional information on registry programs in other cities, key policy and legal considerations, and a detailed timeline for bringing the proposed legislation to the City Council for review and adoption. Below is the preliminary timeline, subject to the timely hiring of additional staff:

- May 2015: Staff begins work on the Registry
- July 2015: Informational Report to the Community and Economic Development Committee
- July 2015 – December 2015: Staff works with community stakeholders to develop the proposed legislation
- December – January 2015: City Council considers adoption of the proposed legislation

Respectfully submitted,

/s/

RACHEL FLYNN

Planning and Building Director

HONORABLE MAYOR AND CITY COUNCIL

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For questions, please contact Darin Ranelletti, Deputy Director, at (510) 238-3663.

Attachment:

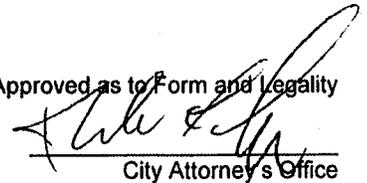
Resolution No. 85025 C.M.S.

ATTACHMENT

FILED
OFFICE OF THE CITY CLERK
OAKLAND

14 MAY 22 PM 4:50

Approved as to Form and Legality



City Attorney's Office

OAKLAND CITY COUNCIL

RESOLUTION NO. 85025 C.M.S.

INTRODUCED BY COUNCILMEMBERS REBECCA KAPLAN AND DAN KALB

A RESOLUTION ESTABLISHING COUNCIL POLICY TO CREATE A REGISTRY FOR VACANT GROUND FLOOR COMMERCIAL PROPERTIES AND FOR VACANT LOTS, AND DIRECTING STAFF TO RETURN TO COUNCIL WITH AN IMPLEMENTATION SYSTEM TO ACCOMPLISH THIS GOAL

WHEREAS, vacant ground floor commercial properties and lots that are vacant for lengthy periods create blight in the City's commercial corridors, attracting illegal activity such as vandalism and dumping, discouraging new businesses from moving to these commercial corridors, deterring customers to existing surrounding businesses, and depressing the economic vitality of the area, as well as decreasing potential business tax revenue for the City and draining City resources to address blight and related conditions; and

WHEREAS, property owners of vacant ground floor commercial properties and lots in some cases let properties remain vacant until the market goes up, are not willing to lower the rent in order to fill the vacancy, or do not otherwise make reasonable efforts to productively use their property and be good neighbors in the community; and

WHEREAS, a ground floor vacant commercial property registration program can help to track various types of vacant properties, providing a data resource for the benefit of property owners, City agencies, and the public, and contribute to incentivizing the leasing or sale of properties and their productive use; now therefore, be it

RESOLVED: That the Oakland City Council directs the Administration to return to Council within 120 days with draft legislation and an implementation plan to create and administer a registry for vacant ground floor commercial storefronts and vacant lots; and be it

FURTHER RESOLVED: That staff shall consider including the following components in the requested legislation: (1) creation of a requirement that ground floor units of commercial properties and lots which are vacant for more than six (6) months in any twelve (12) month period shall be required to register and pay an annual fee that finances the registration program; (2) a definitions section, including a definition of

"vacant" and "ground floor;" (3) clear standards for what properties qualify for registration, including possible registration exemptions, and criteria and procedures for determining hardship waivers for the registration fee; (4) registration procedures, including an online system and mandatory disclosure of registrant information, including, if possible, identification of a "marketing agent" for each registered property; (5) an online registration database and mapping system that can help owners, buyers, and those seeking to lease properties; (6) a proposed fee structure, including, if possible, variation based on property size or other factors contributing to variable City implementation costs; (7) online payment of the annual fee; (8) a sign posting requirement for the registered property that indicates that the property is registered as vacant and provides, if possible, contact information; (9) a failure-to-register complaint intake system and penalties that apply for failure to register or comply with the ordinance; and (10) a possible private enforcement option that gives residents or Oakland-based Business Improvement Districts, after proper notice to the violator and City, a waiting period and continued inaction, the authorization to file suit to enforce the ordinance and collect legal costs; and be it

FURTHER RESOLVED: That the report accompanying the staff proposals shall include (1) recommendations regarding an annual registration fee and issues related to the establishment of a fee, (2) suggested options for the provision of or resource referral for leasing or sale incentives or assistance to owners whose properties are in distress, (3) an implementation plan, including modification of the annual business tax mailing to provide notice of the new requirement, and (4), if any components listed in the first "Further Resolved" clause were not included in the legislation, an explanation for why the component could not or should not be included in the legislation.

IN COUNCIL, OAKLAND, CALIFORNIA, = JUN 8 2014

PASSED BY THE FOLLOWING VOTE:

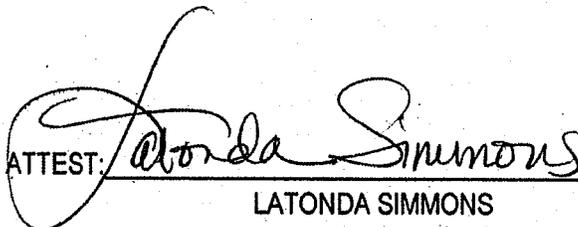
AYES - BROOKS, GALLO, GIBSON MCELHANEY, KALB, KAPLAN, REID, SCHAAF, AND
PRESIDENT KERNIGHAN - 8

NOES - 0

ABSENT - 0

ABSTENTION - 0

ATTEST:



LATONDA SIMMONS

City Clerk and Clerk of the Council of the
City of Oakland, California