

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIVERSIDE, CALIFORNIA, ESTABLISHING A PROCEDURE FOR THE NEGOTIATION OF CODE ENFORCEMENT FINES AND THE EXECUTION OF REHABILITATION AGREEMENTS TO FACILITATE CORRECTIVE ACTION.

WHEREAS, the City of Riverside empowers Code Enforcement Division of the Community & Economic Development Department to issue administrative citations against parcels of real property for violations of the Riverside Municipal Code (RMC); and

WHEREAS, the fine amount for administrative citations is \$100 for the first occurrence of a violation, \$200 for the second occurrence of the same type of violation, and \$500 for a third and each subsequent occurrence of the same type of violation; and

WHEREAS, for long-standing or egregious violations of the RMC, Code Enforcement may seek the imposition of administrative civil penalties; and

WHEREAS, the total fine amounts from administrative citations and administrative civil penalties only reach the highest levels after a prolonged period of noncompliance and a series of notices and citations wherein the property owner is entitled to a hearing to contest any violation; and

WHEREAS, property owners and prospective buyers face challenges in paying high fine amounts; and

WHEREAS, to deal with the mortgage crisis of 2007/2008, an informal rehabilitation program originated where owners or buyers could negotiate fine amounts in exchange for signing a settlement agreement that required the property to be cured of code violations by an agreed upon date and the settlement agreement was recorded on the property owner's title and ran with the land; and

WHEREAS, the City Council now desires to develop a formal rehabilitation agreement policy.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Riverside, California, as follows:

Section 1. The above recitals set forth above are incorporated herein as findings by the City Council.

Section 2. The City Council hereby approves the rehabilitation agreement policy as shown in Exhibit "A" attached hereto and incorporated by reference.

1 ADOPTED by the City Council this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

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PATRICIA LOCK DAWSON  
Mayor of the City of Riverside

5 Attest:

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DONESIA GAUSE  
City Clerk of the City of Riverside

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10 I, Donesia Gause, City Clerk of the City of Riverside, California, hereby certify that the  
11 foregoing resolution was duly and regularly adopted at a meeting of the City Council of the City of  
12 Riverside, at its meeting held on the \_\_\_\_\_ day of \_\_\_\_\_, 2021, by the following vote,  
to wit:

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Ayes:

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Noes:

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Absent:

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Abstain:

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19 IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the  
City of Riverside, California, this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

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DONESIA GAUSE  
City Clerk of the City of Riverside

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21-0785

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## EXHIBIT A

The Rehabilitation Agreement Program enables owners or buyers to negotiate Code Enforcement fines from administrative citations and administrative civil penalties in exchange for signing a settlement agreement (“rehabilitation agreement”) that requires the home to be rehabilitated, cured of code violations and occupied by an agreed upon date. The agreement also includes cost recovery for the City Attorney Office’s services. This agreement is recorded on the property owner’s title and runs with the land.

Code Enforcement fine reductions in exchange for a rehabilitation agreement is often the one motivating factor that compels property owners to comply. Rehabilitation agreements are useful in cases where rapid compliance outweighs the collection of fines due to the nature of the violations or the negative effect the subject property is having on the surrounding community. The ability to reduce fine amounts in exchange for a commitment to rehabilitate a property is important and many times outweighs the need to collect fine amounts.

Each request by a property owner to explore the viability of a rehabilitation agreement shall be reviewed by the Code Enforcement Division and City Attorney’s Office on a case-by-case basis. The property owner would need to establish a mitigating circumstance necessitating a reduction. The totality of the circumstances should be considered. Factors to be taken into consideration include but are not limited to:

1) Whether the responsible party has entered into a previous rehabilitation agreement with the City of Riverside;

2) Whether the responsible party has a demonstrable financial hardship preventing full payment of the fine owed;

3) Whether the responsible party has a gross annual income that does not exceed 80% of the area median income, adjusted by family size;

4) Whether the responsible party has a disability preventing or disrupting compliance with the Municipal Code or payment of the fine;

5) Whether the responsible party was deployed on active military duty during the time period the violation and code enforcement case was taking place and unable to comply;

1           6) Whether the responsible party has a history of more than 3 substantiated violations of the  
2 Riverside Municipal Code within the year prior to the code enforcement case giving rise to the fines  
3 being negotiated;

4           7) Whether the rehabilitation agreement would specifically preserve the community interests  
5 in preserving the City's housing stock; to arrest and prevent the development of blighted areas; and/or  
6 arrest the decline of deteriorating/deteriorated areas;

7           8) Whether the subject property is located in primarily residential areas where a minimum of  
8 51 percent of the residents in those areas are low and moderate-income;

9           9) Whether the subject property is inherited by a family member who seeks to enter into an  
10 agreement within twelve months;

11          10) Whether the City's actual cost of investigation, enforcement, administration, and City  
12 Attorney's costs does not exceed the amount being negotiated/reduced;

13          11) Whether the City determines that a rehabilitation agreement is in the best interest of the  
14 City and is the most effective means to quickly gain compliance; and

15          12) Whether the health, safety and welfare of the community is severely impacted by the  
16 violations in question.

17          The Community & Economic Development Director shall have the authority to negotiate and  
18 reduce up to \$25,000 of the outstanding Code Enforcement fine amount per parcel. The City Manager  
19 shall have the authority to reduce up to a maximum amount of \$50,000 per parcel. These amounts are  
20 consistent with purchasing limits per current City Council resolution. The maximum fine amount the  
21 Code Enforcement Division is authorized to assess by the municipal code is \$100,000 per parcel.  
22 Allowing the City Manager or his or her designee to negotiate up to \$50,000 per parcel would match  
23 the existing practice but give staff more flexibility in negotiating lower fine amounts. Any reduction  
24 over the \$50,000 threshold amount must be approved by the City Council.