

Resolution No. **10-0121****STOCKTON CITY COUNCIL****RESOLUTION AMENDING CITY COUNCIL POLICY 700-6 PERTAINING TO THE REPEAL  
OF CERTAIN ASSESSMENTS TO PROMOTE IMPROVEMENTS TO BLIGHTED  
PROPERTIES**

In October 2008, the City Council adopted City Council Policy 700-6 to relieve code enforcement fines, penalties, interest, and/or liens, which were preventing the successful rehabilitation of certain properties (the "Policy"); and

The Policy created a program that is intended to apply only to properties that are exceptionally burdened by fines, penalties, interest, and/or liens (the "Program"); and

The Program is intended to promote the rehabilitation of large commercial and/or multi-family residential properties, not single-family homes; and

The fallout from the foreclosure crisis has left a substantial number of single-family properties potentially eligible for the Program; and

The influx of single-family properties potentially eligible for the Program, under the current language of the Policy, create the potential for an unmanageable burden on City resources due to the sheer number of potentially eligible applicants; and

The proposed changes to the Policy place additional emphasis on a project's ability to enhance its surrounding neighborhood and encourage additional community investment; and

The Program is proposed to be named the "Lien Forgiveness Program"; now, therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:

1. City Council Policy No. 700-6, dated November 5, 2008, is hereby amended, as provided in Attachment A. The effective date of the Amendment is the date of this resolution.
2. That the City Manager is hereby authorized to take whatever actions are appropriate to carry out the purpose and intent of this resolution.

PASSED, APPROVED, and ADOPTED APR 27 2010

ATTEST:

  
KATHERINE GONG MEISSNER  
City Clerk of the City of Stockton



  
ANN JOHNSTON, Mayor  
of the City of Stockton

City Atty:

Review

Date

Apr. 27, 2010

CITY OF STOCKTON, CALIFORNIA  
CITY COUNCIL POLICY

ATTACHMENT B

<b>Subject:</b>  <b>Lien Forgiveness Program</b>	Policy No.  <b>700-6</b>	Page No. <b>1 of 4</b>
	Effective Date:	Revised from:  <b>Nov. 5, 2008</b>

I. PURPOSE

Promote reinvestment and improvement to blighted properties, located within a City of Stockton Redevelopment Project Area.

II. POLICY

The intent is to allow the City Council to forgive certain liens previously imposed by the City, for the public purpose of facilitating substantial investment and improvement to blighted properties.

III. PROCEDURE

A. Eligible Properties

To be considered for participation in this program, a property must meet all of the following criteria

1. The property must be located in a City of Stockton Redevelopment Project Area.
2. The property must be zoned and/or improved for a use or uses other than a single-family residential use (single-family residential properties are not eligible).
3. The applicant must be able to show that the successful rehabilitation of the property is being prevented due to exceptional lien burdens (minimum \$5,000 in total).
4. The applicant must be able to provide documentation demonstrating need for funding (e.g. lender's statement, pro-forma, etc.).
5. Improvement of the property must further goals and objectives contained in the applicable Redevelopment Project Area Plan, as well as bring the site into compliance with all applicable codes.
6. The improvement and/or development of the property will have a significant positive effect on the surrounding neighborhood and has the strong potential to encourage additional investment and improvements in the surrounding area.
7. The applicant must demonstrate the ability to undertake and complete improvements, as well as competently manage and maintain the property.

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CITY COUNCIL POLICY**

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8. No applicant is eligible who has caused, maintained, or allowed the violations, fines, fees, or liens at the subject property.

\*It should be noted that, depending on the agreement reached, some improvements may be subject to prevailing wage requirements.

**B. Application Process**

1. The property owner or potential purchaser of an eligible property may apply for the Program.
2. The City will review and process the application and complete its due diligence in a timely fashion; which may require consultation with San Joaquin County.
3. Determination (Section C).
4. City Council approval. (Note: City Council may accept or reject proposal and/or impose additional stipulations.)

**C. Determination**

The Economic Development Director is responsible for determination of eligibility. Evaluation results in one of two outcomes:

*Approval* – If the application is found to eligible the applicant will proceed to negotiations with City staff to determine specific criteria for project's acceptance into the Program.

OR

*Denial* – The Economic Development Director may deny an application due to eligibility criteria. A formal letter expressing denial will be sent to the applicant. The applicant can appeal decision through the Reconsideration/Appeal Process (Section D).

**D. Reconsideration/Appeal Process**

**Reconsideration**

1. The applicant has 30 days from the date of the decision to request reconsideration by the Economic Development Director of his or her decision to deny the project acceptance into the program. The

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applicant shall request reconsideration in a letter addressed and delivered to the Economic Development Director, which sets out in detail the reasons why the proposed project should be accepted in the Program.

2. A review of the request for reconsideration will be conducted by the Economic Development Director and a written response will be mailed to the applicant.

*If the applicant is not satisfied with the results of the request for reconsideration, then:*

3. The applicant has 30 days, following the mailing of the written response to the request for reconsideration, to send a letter requesting a meeting with the Economic Development Director and staff. During the meeting, the applicant will receive verbal notification whether the Economic Development Director has decided to overturn the previous denial decision and allow the project acceptance into the Program.

### **Appeal**

*If the applicant is not satisfied with the results of the meeting with the Economic Development Director, then:*

4. The applicant has 14 days following the meeting with the Economic Development Director to file with the City a letter appealing the decision made by the Economic Development Director. The letter of appeal shall be delivered to the Office of the City Manager. The City Manager will notify the applicant by mail of his or her decision and the decision of the City Manager shall be final.

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CITY COUNCIL POLICY**

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E. Agreement/Monitoring Plan

1. In each instance where the City shall choose to forgive certain liens previously imposed on a property, such forgiveness shall be memorialized in an agreement approved by the City Council and conditioned upon (among other matters) the successful rehabilitation and/or development of the subject property and shall be further conditioned upon the subject property remaining in acceptable condition for no less than five years following project completion.
2. If the subject property is not successfully rehabilitated and/or developed within the project schedule approved by the City (as determined by the Economic Development Director), the City shall not forgive the liens previously imposed on the property.
3. If, following the successful rehabilitation and/or development of the subject property that property has not been properly maintained (as determined by the Economic Development Director), the City may re-institute the subordinated liens as well as pursue additional interest and penalties.
4. If the subject property meets all of the requirements specified in the agreement, at the end of the five-year monitoring period, the applicant may request the City remove the applicable lien from the property.