



# City of Stockton

## Legislation Text

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**File #:** 22-1022, **Version:** 1

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### **DISCUSSION REGARDING THE ESTABLISHMENT OF A COMMERCIAL VACANCY ORDINANCE**

#### RECOMMENDATION

It is recommended that City Council postpone consideration of a draft ordinance until:

1. Neighborhood Services is fully staffed; and
2. Public Outreach has been completed; and
3. A comprehensive needs assessment regarding this program has been completed.

#### Summary

The purpose of a vacant commercial building registration and monitoring program is to discourage property owners from allowing buildings to remain vacant, ensure they are properly secured and maintained, help prevent the buildings from becoming a burden to the residents and taxpayers of the City, and provide the basis for returning the properties to their intended use.

The draft addition of Title 15, Chapter 15.34 would create a requirement for commercial property owners to register vacant buildings not subject to an identified exemption.

#### DISCUSSION

##### Background

At the request of the City Council Legislation/Environmental Committee and based on the information provided by the Committee, the City Attorney's office drafted an addition to Title 15 of the Stockton Municipal Code which would create a new Code section (15.34, Attachment A) related to vacant commercial properties, and establish a new property registration program for said properties. Property owners would be required to register their buildings 30 days after the building becoming vacant. Under this draft code section, a property is considered vacant after greater than 50% of the commercial units in the building have been unoccupied for over 180 days.

##### Present Situation

The Neighborhood Services Division of the Police Department is responsible for enforcing the Stockton Municipal Code throughout the city. The main impacts of this program will be to this division. A critical component of the implementation of a program of this nature will be availability of trained field inspection staff. On average during the 2021-22 Fiscal Year, Neighborhood Services

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had ten (10) Code Enforcement Officers working out of 21 approved positions. During this time the team had 13,555 cases, averaging 1,356 cases per officer. For effective management and case resolution at this staffing level, each code enforcement officer should handle approximately 960 cases. This means that during this period, the team was overburdened by 41%. As of September 2022, 12 of the 21 positions are filled, with the other nine (9) vacancies actively being recruited. The existing 21 positions, if filled, are sufficient to handle current workload.

If this draft ordinance and commercial vacancy program is to be implemented, it is imperative that the City hire and retain appropriate personnel. The department must first reach an acceptable caseload level per officer before a program of this nature can be started. Filling the 9 vacant positions is essential, however additional staff will be needed for successful program implementation. In addition to staffing considerations, technological improvements will also be needed to track and manage registration information. If Council directs the City Manager to proceed with this effort, staff will need at minimum 12 months to provide a public outreach campaign, recruit and train personnel, and acquire and implement software and equipment.

This program will also impact other departments. The Community Development Department, Fire Department, and Administrative Services Department will also require staffing adjustments to effectively administer this program.

#### FINANCIAL SUMMARY

It is anticipated that this program as described in the attached draft ordinance will require the department to increase budget expenses estimated between \$600,000 to \$1 million for personnel, software, equipment, and related ancillary costs. Detailed financial impacts will require further analysis.

Attachment A - Vacant Commercial Property Registration Ordinance

**ORDINANCE NO.****AN ORDINANCE ADDING TITLE 15, CHAPTER 15.34, TO THE STOCKTON MUNICIPAL CODE, RELATED TO COMMERCIAL VACANCY REGISTRATION**

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

**SECTION I. FINDINGS AND INTENT.**

Vacant commercial buildings are a major cause and source of blight, especially when the owner fails to actively maintain and manage the building. Vacant buildings, whether boarded, substandard, unkempt, or long-term vacant discourage economic development, hinder the appreciation of property values, and have a detrimental impact on the economic viability of commercial areas. Vacant commercial buildings are an attractive nuisance to children, a harborage for rodents, an increased fire hazard and invite criminal activity, such as squatting, vandalism and dumping. These activities and the eyesore of boarded, substandard, and unkempt vacant buildings deter would-be customers from the area and negatively impact surrounding neighborhoods.

One (1) vacant commercial building that is not actively and well maintained and managed can be the core and cause of spreading blight. A long-term vacant building, even in the absence of code violations, is detrimental to the health, safety, and welfare of the community and contrary to the intended property use. Vacant commercial buildings require more frequent monitoring by code enforcement, police, and Building Department staff. This is a disproportionate use of resources that diverts staff time and resources away from addressing other issues in the community and results in a greater cost to the City. These costs should be borne by the property owner and not the community at large.

The purpose of the vacant commercial building registration and monitoring program is to discourage property owners from allowing buildings to remain vacant, ensure they are properly secured and maintained, help prevent the buildings from becoming a burden to the residents and taxpayers of the City and provide the basis for returning the properties to their intended use.

The provisions of this section are to be supplementary and complementary to all the provisions of the City Code, State and Federal law, and any other statutes or regulations, and nothing in this section shall be read, interpreted, or construed in any manner so as to limit any existing right or power of the City to abate or prosecute any and all violations and nuisances.

**SECTION II. AMENDMENT OF CODE.**

Title 15, Chapter 15.34 is hereby added to the Stockton Municipal Code as follows:

## Chapter 15.34 VACANT COMMERCIAL PROPERTY REGISTRATION

**15.34.010 Title.** This ordinance codified in this chapter shall be known as “Vacant Commercial Building Ordinance” and is hereinafter referred to within this Chapter 15.34, as “this chapter.”

**15.34.020 Purpose.** Recognizing that abandoned and vacant buildings contribute to blight in the city, discourage economic development, and diminish appreciation of property values, endanger public health and safety, attract criminal activity, and create fire hazards, it is the responsibility of property owners to prevent buildings from becoming a burden to the neighborhood and community and a threat to the public health, safety, and welfare. The city council finds that vacant buildings result in increased expenditures for police, fire, and code enforcement inspections and calls. Maintenance of the public health, safety, and welfare thus requires the City to maintain an accurate registration of all vacant commercial buildings and to impose each of the requirements, procedures and penalties set forth herein.

**15.34.030 Definitions.** For the purposes of this chapter, the following terms are defined as set out in this section:

- A. "Commercial building" means a building, accessory structure, mobile or modular structure, or other structure adapted to permanent occupancy for commercial purposes. A "commercial building" also includes any structure, or any portion of a structure, located within the city and designed or intended for occupancy as a hotel or motel.
- B. "Commercial unit" means each separate space within a commercial building designed or intended for occupancy.
- C. "Securing" as used in this chapter is the same as defined under [Chapter 15.32](#).
- D. "Vacant commercial building" means a commercial building where greater than fifty percent of the commercial units within the building have been unoccupied for over 180 days, unless one of the following applies:
  - 1. There is a valid building permit for alterations or rehabilitation, excluding standard maintenance and repairs, of the commercial building per the requirements of the California Building Code.
  - 2. The owner or leaseholder has filed an application for required permits for the lawful use and occupancy of the commercial building, where the application is still active per the requirements of this code.
  - 3. In the case of a structure or portion of a structure designed or intended as a hotel or motel the owner or operator is actively engaged in

operating such premises as a hotel or motel. At a minimum, active engagement as a hotel or motel requires that the owner or operator participate as a certified registrant of the Uniform Transient Occupancy Tax Ordinance of the City of Stockton with respect to such premises. At least 50% of units within a hotel or motel must be vacant to fall within this definition.

#### **15.34.040 Registration.**

- A. The owner(s) of a vacant commercial building shall within 30 days after it has become vacant as defined in this chapter, register the commercial building with the Stockton Police Department – Neighborhood Services on a form provided by the department.
- B. The annual fee, in an amount established by city council resolution, shall accompany the registration form and be paid annually for the duration of vacancy. Funds derived from said fee shall be used to offset the City's cost of inspection, administration, and enforcement under this chapter.
- C. Any subsequent owner of a vacant commercial building must register or re-register the building with the city designated officer within 30 days of any transfer of any ownership interest in the building.
- D. Registered commercial buildings subject to this chapter shall remain registered as long as the properties remain vacant. If the owner, or a lawful tenant of the owner, occupies the premises in a manner that complies with this chapter and with all other applicable provisions of state and local law, the commercial building may be removed from the department's registry. A commercial building may be removed from the registry upon owner's submission of a de-registration form provided by the department and subject to department approval confirming occupation.

#### **15.34.50 Registration Requirements.**

- A. The required registration shall be submitted on the form provided by the city and shall include:
  - 1. The name, current mailing address, phone number and any other contact information of the owner and property manager or responsible party as well as the names and addresses of all known lien holders and all other parties with a legal or equitable ownership interest in the building.

2. The addresses of the commercial building and the Assessor Parcel Number(s).
  3. Square footage and occupancy rating(s) of the commercial building.
  4. State the most recent legal use(s) of the commercial building.
  5. The period of time the commercial building is expected to remain vacant, and a plan and timetable for returning the commercial building to appropriate occupancy or use.
  6. Statement as to whether there is fire and liability insurance coverage.
  7. Methods by which the owner has secured the commercial building against unauthorized entry.
  8. Provide such other information as the department may require.
  9. Proof of insurance in compliance with section 15.34.100.
- E. Upon registration of a vacant commercial building pursuant to this chapter, the owner shall be required to provide authorization to the City of Stockton Police Department to arrest for trespassing pursuant to California Penal Code Section 602, any persons found on the property without the owner's consent or without lawful purpose.

**15.34.060 Signage.** Any vacant commercial building shall be posted with the name and twenty-four-hour contact phone number of the trustee, beneficiary, owner, realtor, or property management company. The posting shall be no less than eighteen by twenty-four (18 x 24) inches and shall be of a font that is legible from a public right of way and shall contain along with the name and twenty-four-hour contact number the words "THIS PROPERTY MANAGED BY" and "TO REPORT PROBLEMS OR CONCERNS CALL." The posting shall be placed on the interior of a window facing the street to the front of the property so it is visible from the street or secured to the exterior of the building or structure facing the street to the front of the property so it is visible from the street; if no such area exists, the posting shall be placed on a stake of sufficient size to support the posting in a location that is visible from the street to the front of the property but not readily accessible to vandals. Exterior postings must be constructed of and printed with weather resistant materials. Compliance with this section shall satisfy section 15.32.050(C) if applicable.

**15.34.070 Inspection by City.**

A city designated officer or their appointee may inspect or cause to be inspected any premises in the city for the purposes of enforcing and assuring compliance with the provisions of this chapter, the fire code, and safeguarding the health, safety, and welfare of the general public. Upon the request of a city building official, code enforcement officer, fire marshal, or a designated appointee, an owner shall provide access to all interior portions of any vacant commercial building or suspected vacant commercial building in order to permit inspections.

**15.34.080 Owner Inspection Requirements.**

- A. The owner(s) or their property manager shall inspect a vacant commercial building on a monthly basis to determine if the building is in compliance with this chapter or if notification of noncompliance is reported to the owner(s) or their local property manager. The property shall be brought back into compliance with this chapter within 30 days of it becoming out of compliance herewith.

**15.34.090 Penalties.**

- A. Violations of this chapter shall be treated as a strict liability offense regardless of intent. Any person, firm and/or corporation that violates any portion of this chapter shall be subject to prosecution, public nuisance abatement and/or administrative enforcement pursuant to [Chapter 1.24](#) of the Stockton Municipal Code or any other enforcement and legal remedies available to the city under the law.
- B. All penalties assessed shall be payable directly to the city.
- C. Any and all civil penalties assessed under this section shall be billed to the owner or other responsible party. Failure or refusal to pay any and all such penalties permits the city to pursue any and all available legal remedies for the enforcement and collection of such penalties; including but not limited to, civil actions being filed in any court of competent jurisdiction, abatement of nuisances maintained in violation of this chapter, institution of injunction, mandamus, or other appropriate action or proceedings to enforce the penalty provisions of this chapter.
- D. In addition to all other lawful remedies available to the city to address any violation of this chapter, the code compliance officer or his or her designee may impose an administrative penalty pursuant to [Chapter 1.40](#).

**15.34.100 Liability Insurance.**

The property owner shall maintain liability insurance on vacant buildings subject to registration. A certificate of insurance for each vacant property shall be provided to the City with the vacant building registration form, whenever an insurance policy has expired, when there is a change of insurance carrier, and upon request from the City. All insurance policies for vacant property shall require notice to the City in the event of cancellation of insurance or a reduction in coverage. The minimum coverage amount shall be \$1,000,000.00 of general liability coverage.

**SECTION III. SEVERABILITY.**

If any provision of this ordinance or the application thereof to any person or circumstance is held invalid, that invalidity shall not affect other provisions, or applications of the fact which can be given without the invalid provision or application, and to this end the provisions of this act are severable.

**SECTION IV. EFFECTIVE DATE.**

This ordinance shall take effect and be in full force July 1, 2023 days after its passage.

ADOPTED: \_\_\_\_\_

EFFECTIVE: \_\_\_\_\_

\_\_\_\_\_  
KEVIN J. LINCOLN II  
Mayor of the City of Stockton

ATTEST:

\_\_\_\_\_  
ELIZA R. GARZA, CMC  
City Clerk of the City of Stockton





# CITY OF STOCKTON

## **NEW BUSINESS RELATED TO ESTABLISHING A COMMERCIAL VACANCY REGISTRATION**

City Council Meeting  
November 15, 2022  
Agenda Item 15.2

# Background

- Request of the City Council Legislation/Environmental Committee
- Goal of establishing a new property registration program for commercial vacant buildings
  - Register after 30 days
  - Greater than 50% units unoccupied for over 180 days
- City Attorney's Office drafted an addition to Title 15 of the Stockton Municipal Code (SMC)

# Key Observations

**Estimated  
250  
Buildings**

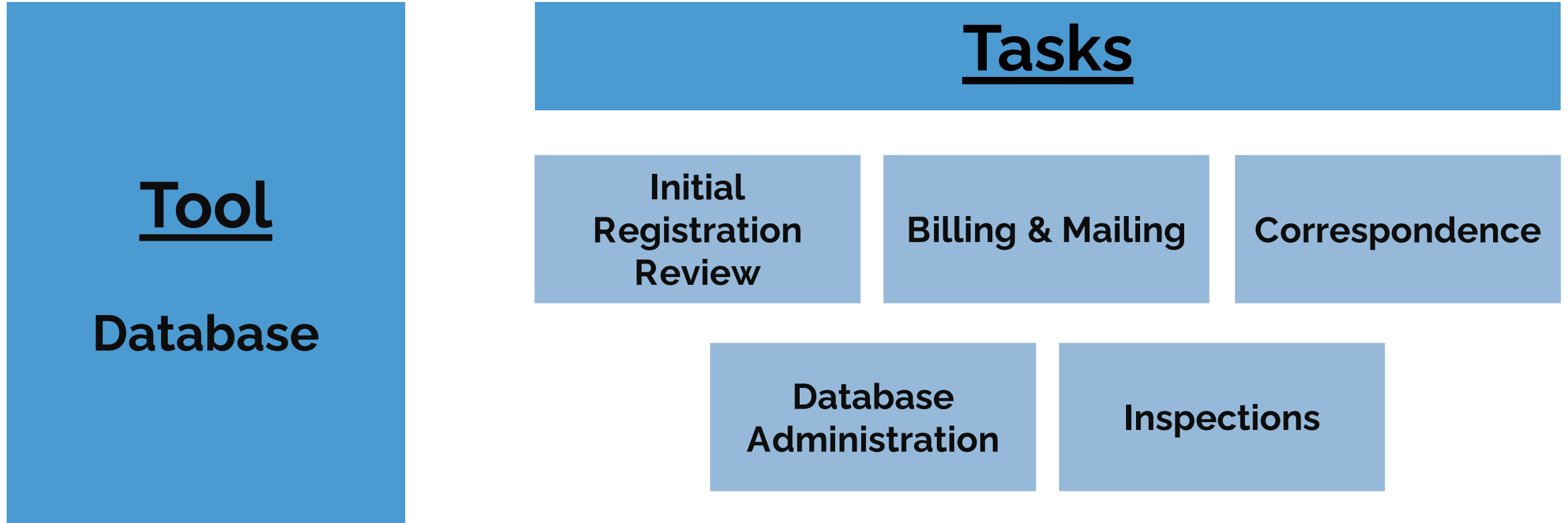
**Housed in  
Neighborhood  
Services**

**Involved  
Departments:**

- Fire Prevention
- Building
- Business License
- Economic Dev.

**Enforcement  
Approach Will  
Impact  
Staffing  
Requirements**

# Program Administration: Tools & Tasks



# Program Administration: Staff & Cost Estimate

## Staff FTEs

- Low: 2.25
- High: 7.5

## Staff Cost

- Low: \$250K
- High: \$840K

## Database Cost

- Initial: \$100K
- Annual: \$8K

# Present Situation

- Neighborhood Services Section (NSS) is responsible for enforcing the SMC for the City
- Need for trained staff
- 2021/2022 Fiscal Year
  - 10 Code Enforcement Officers (CEO) working out of 21 approved positions
  - Over 13,500 cases
    - 1,350 cases/CEO
  - 950 cases/CEO
  - Overburdened by 41%

# Recommendation

It is recommended that City Council postpone consideration of the draft ordinance until:

- NSS is fully staffed
- Public Outreach has been completed
- Comprehensive needs assessment completed