



# CITY OF HAYWARD

Hayward City Hall  
777 B Street  
Hayward, CA 94541  
www.Hayward-CA.gov

## Cover Memo

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**File #:** CONS 16-379, **Version:** 1

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**DATE:** July 19, 2016

**TO:** Mayor and City Council

**FROM:** Assistant City Manager

**SUBJECT**

Report and Special Assessment for Residential Rental Inspection Program Fees Past Due

**RECOMMENDATION**

That Council adopts the attached resolution (Attachment I) confirming the report and assessments for overdue Residential Rental Inspection Program fees for the period from January 1, 2015 through May 6, 2016 (Attachment II), and authorizing the assessments to become a special assessment against the properties if not paid on or before July 31, 2016.

**BACKGROUND**

The purpose of the Special Assessment confirmation is to consider the proposed report and assessment list for unpaid residential rental inspection program fees and to determine whether a special assessment should be placed on these properties.

The Residential Rental Inspection Ordinance ("Ordinance"), codified in Article 5, Chapter 9 of the Hayward Municipal Code ("HMC"), creates an inspection program for residential rental units in the City. The purpose of the Ordinance is to safeguard the stock of safe and sanitary rental housing by inspecting units for violations of housing and building codes.

The Ordinance provides a process for the inspection of units, notification to property owners, and the imposition of fees/penalty and charges. When a violation has been identified at a property, the City provides a correction notice to the owner identifying the violation(s). If the violation is not corrected by the owner, the Ordinance authorizes fee and penalty charges for any inspection or re-inspection performed. Once the owner has exhausted his or her administrative hearing rights, the owner must pay any fees and penalty charges. If those costs are not paid in full prior to the July deadline each year, the unpaid fees and/or charges are scheduled for special assessment against the property once confirmed and authorized by Council resolution.

## DISCUSSION

The costs comprising the special assessment charges were calculated pursuant to the City's Master Fee Schedule. Fines and fees include: annual fees; failed re-inspection(s) fees; abatement related costs; contractor fees; subsequent violation(s); liens; and past due fees.

As of the date of this writing, there are 1,099 properties with overdue rental inspection bills that total \$ 134,238.55. The accounts receivable list is attached as Attachment II.

The unpaid charges plus any administration costs of the City of Hayward and the County of Alameda will become special assessments against the properties and will appear on the property owners' November 2016 property tax bills if the bills remain unpaid by July 31, 2016. The County of Alameda collects and remits the funds to the City of Hayward when the property taxes are paid.

Per Hayward Municipal Code Section 9-5.502, every owner on the attached list was afforded the opportunity via notices sent by certified mail on June 9, 2016 to request in writing a Lien/Special Assessment hearing to provide "any objections which may be raised by any person liable to be charged for the work of abating cited code violations and/or related charges associated with his or her property." As of the writing of this report, no requests have been filed. Additionally, three past due invoices were mailed to the property owners, before the Final Notice was sent by certified mail on June 9th advising the property owners of the impending assessment against their property pursuant to Government Code Section 38773.5.

## FISCAL IMPACT

There is no fiscal impact to the City of Hayward associated with processing such overdue bills, as City costs are reimbursed through special assessment or other collection processes. All special assessment costs are collected along with lien amounts on individual tax bills. Collection of these fees also helps minimize the General Fund subsidy to this program and reduces unrecoverable costs of conducting inspections associated with the City's Rental Housing Inspection Program because they represent fees assessed for staff time related to enforcement actions. The City of Hayward annually receives two special assessment allocations from the County, one in December and one in April.

## PUBLIC CONTACT

Notices of violation were sent to the property owners of record, giving them the opportunity to correct the cited violations or pay their outstanding fees. Notice of City Council's confirmation of this report and list was published in *The Daily Review* newspaper on July 8, 2016. In addition, property owner(s) were notified on June 9, 2016, by certified mail and given the opportunity to contest the assessed fees before an independent hearing officer and were encouraged to pay their bills to minimize additional fees and to avoid being placed on the proposed assessment list. Property owners have until July 31, 2016 to pay all outstanding fees.

## NEXT STEPS

A copy of the Special Assessment List will be forwarded by the City of Hayward's Revenue Division to the Alameda County Assessor's Office. Upon receipt, the Assessor's Office will attach the City of Hayward's fees past due as a special assessment against each parcel. That assessment will then appear on the property owners' November 2016 property tax bill for collection. When the County Assessor receives the tax payment, the City of Hayward will be reimbursed by the Assessor's Office typically after payment of the second installment in April of the following year.

*Prepared by:* Eusebio Espitia, Code Enforcement Supervisor

*Reviewed by:* David Rizk, AICP, Development Services Director

*Recommended by:* Kelly McAdoo, Assistant City Manager

Approved by:



Fran David, City Manager

Attachments:

Attachment I  
Attachment II

Resolution  
2015/2016 Residential Rental Inspection  
Accounts Receivable List