

**Council Meeting: July 23, 2013**

**SUBJECT: Discussion and Possible Action to Cause Charges for Non-Payment of Administrative Citations and Non-Payment for Utility Services to be Placed on the FY 2013/14 Tax Roll**

**BACKGROUND**

The City of Sunnyvale Municipal Code authorizes the City to collect unpaid administrative citations and delinquent utility charges on the County of Santa Clara property tax roll through Chapters 1.05 and 12.50.110 respectively.

Chapter 1.05 allows enforcement of code violations through the issuance of administrative citations. These citations are an important tool in facilitating cooperation from property owners regarding uncorrected code violations. Citations are only issued after repeated attempts at voluntary compliance have failed. Most violations are corrected after the first warning. However, some property owners fail to correct the violation and are consequently issued administrative citations. Despite the efforts of City staff to collect on these citations, there are several unpaid administrative citations outstanding at this time.

Sunnyvale Municipal Code also requires that all properties receiving water service, from any provider, receive and be subject to charges for sewer and solid waste services with the exception of those properties utilizing a septic tank system which are exempt from the requirement for sewer service. The provision of water service and the collection of sewer and solid waste from all occupied properties are essential to maintaining the health and safety of the community at large. Some of the properties receiving these services have been consistently delinquent. Attempts to collect these delinquent debts through the City's standard collection process have failed.

Each year, the City holds a public hearing to provide the public an opportunity to comment regarding the proposed assessments for both delinquent administrative citations and utility debts.

**EXISTING POLICY**

The City of Sunnyvale Municipal Code Section 1.05.110 and 12.50.110 allows the City to cause charges for administrative citations and delinquent charges for water, sewer or solid waste services to be collected on the property tax roll together with general taxes.

## **CEQA REVIEW**

N/A.

## **DISCUSSION**

### *Administrative Citations*

Each unpaid administrative citation results in the Department of Finance issuing up to three written notices to the property owner: a bill, an interest invoice and statement, and a final demand letter notifying the recipient that failure to pay may result in legal action. The property owners listed on Exhibit A of Attachment A are a minimum of 90 days delinquent in paying the administrative citation fines. Repeated attempts to collect the delinquent funds through the billing and notification process have been unsuccessful.

The City is likely to experience a high collection rate by placing these delinquent accounts on the property tax roll. It provides the added security that, should a property owner not pay the balance on their property tax bill, a tax lien will be placed on the property.

Any property owners wishing to pay at tonight's Council meeting may pay the amount due under the "Balance at Meeting" column tonight on Exhibit A of Attachment A. If the amount due is not paid tonight, the amount in the "Balance for Tax Roll" column will be placed on the property tax roll, if approved by Council. This amount includes the original amount due, penalties through November 1, 2013 (the due date of the first installment of property taxes), and the County's administrative fee of 1%.

Notice of tonight's public meeting has been sent to all affected property owners. Council should expect that some people may make an attempt to have their cases heard at the public hearing in an effort to get the balance owed to the City reduced or eliminated before they are placed on the property tax roll. It is important to note that the appeal period for rescinding any balances has already passed. Therefore, Council approval can go forward to place these debts on the property tax roll since the appeal period has long since expired.

### *Delinquent Utility Charges*

Each utility customer receives a regular bill for service. Utility customers with active water accounts receive a reminder notice, then a second notification of delinquency, and a final demand notice notifying the customer that failure to pay may result in water service interruption. Active utility customers without water service receive the same notifications until the final demand where they are notified that failure to pay will result in legal action. Utility customers with closed accounts receive a final bill and a final demand letter notifying the customer that failure to pay will result in legal action.

The properties listed on Exhibit A of Attachment B are a minimum of 60 days delinquent in paying for water and/or sewer and solid waste services provided by the City of Sunnyvale. Repeated attempts to collect the delinquent funds through the billing and notification process have been unsuccessful.

The City of Sunnyvale cannot encourage these customers to pay their delinquent bill through discontinuance of service either because of the City's obligation to maintain public health or because the accounts are closed. Therefore, the only options available are to collect the debt through an assessment on the property or to refer them to a collection agency. For users of the services that both own their property and directly take services from the City, the municipal code allows an assessment to be placed and funds collected through the County Property Tax Roll. This process is the most cost effective way for staff to collect the delinquent funds.

If approved by Council, the Director of Finance shall cause the amount of the assessments for both administrative citations and utility debts to be entered on the City assessment roll opposite the description of the particular property, and the amount shall be collected together with all other taxes upon the property. These amounts shall be collected at the same time, and in the same manner, as general City taxes are collected and shall be subjected to the same penalties and interest, and the same procedure and sale in case of delinquency as provided for City taxes. All laws and ordinances applicable to the levy, collection and enforcement of City taxes are hereby made applicable to such special assessment.

#### **FISCAL IMPACT**

If approved, staff will forward the charges including late payment penalties and administrative charges of 1% to the County of Santa Clara for collection on the FY 2013/2014 Property Tax Roll. The total assessments with administrative charges for administrative citations equal \$56,125. The total assessments with administrative charges for delinquent utility charges equal \$4,749.

#### **PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's Web site. Notification of the hearing was published in the Sunnyvale Sun in accordance with the Sunnyvale Municipal Code. Notification of the hearing was also sent directly to the billing address for each owner of the affected properties.

#### **ALTERNATIVES**

1. Adopt the attached resolutions causing charges for non-payment of administrative citations and delinquent utility charges to be placed on the FY 2013/2014 County of Santa Clara Property Tax Roll.
2. Do not adopt the resolutions. Attempt to collect the delinquent funds through other means.

**RECOMMENDATION**

Staff recommends Alternative 1, to adopt the attached resolutions causing charges for non-payment of administrative citations and delinquent utility charges to be placed on the FY 2013/2014 County of Santa Clara Property Tax Roll. This method has been the most effective way for the City to collect delinquent administrative citation and utility funds.

Reviewed by:

Grace K. Leung, Director, Department of Finance  
Prepared by: Therese Balbo, Finance Manager

Approved by:

Gary M. Luebbers  
City Manager

**Attachments**

- A. Proposed Resolution Placing Administrative Citations on the Property Tax Roll
  - Exhibit A: Summary of Administrative Citations Eligible for Placement on Santa Clara Property Tax Roll
  
- B. Proposed Resolution Placing Delinquent Utility Accounts on the Property Tax Roll
  - Exhibit A: Delinquent Utility Accounts Eligible for Placement on Santa Clara Property Tax Roll

**RESOLUTION NO. \_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
SUNNYVALE FOR UNPAID ADMINISTRATIVE FINES TO  
BE PLACED ON THE FY 2013/2014 TAX ROLL**

WHEREAS, Government Code Section 53069.4 provides that local public agencies may make any violation of any ordinance enacted by the local agency subject to an administrative fine or penalty, and the agency may set forth by ordinance the administrative procedures that shall govern the imposition, enforcement, collection, and administrative review by the local agency of those administrative fines or penalties; and

WHEREAS, pursuant to Sunnyvale Municipal Code Chapter 1.05, the City of Sunnyvale issues administrative citations and imposes fines for violations of the Municipal Code related to the use and maintenance of real property in the City;

WHEREAS, certain property owners are consistently delinquent and attempts to collect administrative fines through the billing and notification process have been unsuccessful; and

WHEREAS, Section 1.05.110(d) of the Sunnyvale Municipal Code allows the Director of Finance to cause administrative fines and associated costs not collected within 90 days to be made a special assessment against the subject real property and collected on the tax roll together with its general taxes; and

WHEREAS, pursuant to Section 1.05.110(d), the Director of Finance caused a written report to be filed with the City Clerk describing each parcel of real property as to which such delinquency exists and the amount due, as set forth in Exhibit A; and

WHEREAS, pursuant to Section 1.05.110(d), the City Council, following a noticed public hearing, shall adopt a resolution confirming, discharging or modifying the amount of the special assessment; and

WHEREAS, on \_\_\_\_\_, 2013, the City Council conducted a duly noticed public hearing;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SUNNYVALE THAT:

1. The City Council confirms the amount of the special assessment to be placed on the tax roll set forth in the report attached as Exhibit A.
2. The City Council directs the City Clerk to file with the Director of Finance, on or after \_\_\_\_\_, 2013, a copy of the report attached as Exhibit A, indicating that the report has been finally adopted by the City Council.
3. The Director of Finance, after receipt of the report from the City Clerk, is authorized and directed to take all appropriate and necessary steps to impose the special assessments in the amount set forth in the report attached as Exhibit A.

Adopted by the City Council at a regular meeting held on\_\_\_\_\_, 2013, by the following vote:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

ATTEST:

APPROVED:

\_\_\_\_\_  
City Clerk  
(SEAL)

\_\_\_\_\_  
Mayor

APPROVED AS TO FORM:

\_\_\_\_\_  
Joan A. Berger, City Attorney

**Delinquent Administrative Citations Scheduled to be placed on County of Santa Clara Tax Roll**

Date of Citation	Invoice Date	Citation Number	Citation Amount	Owner Name	Property Address	APN	ACCOUNT BALANCE	
							Balance at Meeting	Balance for Tax Roll
11/26/2012	12/3/2012	4709	\$100.00	Ariocha Salas	964 Marion Way	313-26-070	\$176.27	\$211.60
12/17/2012	12/26/2012	4768	\$200.00	Ariocha Salas	964 Marion Way	313-26-070	\$337.42	\$407.92
6/12/2012	6/29/2012	4617	\$100.00	Carolyn E. Taylor	267 Bradford Drive	110-09-014	\$227.89	\$263.74
6/27/2012	6/29/2012	4619	\$500.00	Carolyn E. Taylor	267 Bradford Drive	110-09-014	\$1,139.45	\$1,217.66
7/9/2012	8/10/2012	4624	\$500.00	Carolyn E. Taylor	267 Bradford Drive	110-09-014	\$1,070.41	\$1,248.94
7/16/2012	8/10/2012	4629	\$500.00	Carolyn E. Taylor	267 Bradford Drive	110-09-014	\$1,070.41	\$1,248.94
7/23/2012	8/10/2012	4711	\$500.00	Carolyn E. Taylor	267 Bradford Drive	110-09-014	\$1,070.41	\$1,248.94
7/30/2012	8/10/2012	4715	\$500.00	Carolyn E. Taylor	267 Bradford Drive	110-09-014	\$1,070.41	\$1,248.94
5/15/2012	5/25/2012	4604	\$100.00	Charles and Vicki Kestler	865 Shirley Avenue	165-25-015	\$239.40	\$275.36
4/3/2012	4/26/2012	4506	\$100.00	Cornelia A. and Arthur E. McCombs, Jr.	1011 Rosa Avenue	213-40-027	\$248.93	\$285.00
2/11/2013	2/22/2013	5004	\$100.00	Hubert H. Rose	394 S. Pastoria Avenue	165-12-002	\$149.64	\$184.70
2/27/2013	3/1/2013	5008	\$200.00	Hubert H. Rose	394 S. Pastoria Avenue	165-12-002	\$294.68	\$364.74
2/6/2013	2/22/2013	5003	\$100.00	Jesus Martinez	1386 Socorro Avenue	104-17-038	\$149.64	\$184.70
2/13/2013	2/22/2013	5005	\$200.00	Jesus Martinez	1386 Socorro Avenue	104-17-038	\$249.29	\$369.40
2/20/2013	2/22/2013	5006	\$500.00	Jesus Martinez	1386 Socorro Avenue	104-17-038	\$748.22	\$923.48
2/27/2013	3/1/2013	5007	\$500.00	Jesus Martinez	1386 Socorro Avenue	104-17-038	\$736.71	\$911.86
4/6/2012	4/26/2012	4309	\$500.00	John L. Goodell	1608 Redwing Avenue	313-40-065	\$1,244.66	\$1,424.94
3/30/2012	4/26/2012	4320	\$500.00	John L. Goodell	1608 Redwing Avenue	313-40-065	\$1,244.66	\$1,424.94
4/12/2012	4/26/2012	4635	\$500.00	John L. Goodell	1608 Redwing Avenue	313-40-065	\$1,244.66	\$1,424.94
4/19/2012	4/26/2012	4648	\$500.00	John L. Goodell	1608 Redwing Avenue	313-40-065	\$1,244.66	\$1,424.94
4/26/2012	5/25/2012	4636	\$500.00	John L. Goodell	1608 Redwing Avenue	313-40-065	\$1,196.99	\$1,376.78
5/16/2012	5/25/2012	4642	\$500.00	John L. Goodell	1608 Redwing Avenue	313-40-065	\$1,196.99	\$1,376.78
5/10/2012	5/25/2012	4643	\$500.00	John L. Goodell	1608 Redwing Avenue	313-40-065	\$1,196.99	\$1,376.78
5/3/2012	5/25/2012	4645	\$500.00	John L. Goodell	1608 Redwing Avenue	313-40-065	\$1,196.99	\$1,376.78
5/31/2012	6/29/2012	4640	\$500.00	John L. Goodell	1608 Redwing Avenue	313-40-065	\$1,139.45	\$1,318.66
5/24/2012	6/29/2012	4641	\$500.00	John L. Goodell	1608 Redwing Avenue	313-40-065	\$1,139.45	\$1,318.66
9/12/2012	10/1/2012	4696	\$500.00	John L. Goodell	1608 Redwing Avenue	313-40-065	\$984.93	\$1,162.58
9/19/2012	10/1/2012	4697	\$500.00	John L. Goodell	1608 Redwing Avenue	313-40-065	\$984.93	\$1,162.58
9/26/2012	10/1/2012	4698	\$500.00	John L. Goodell	1608 Redwing Avenue	313-40-065	\$984.93	\$1,162.58
10/3/2012	10/12/2012	4701	\$500.00	John L. Goodell	1608 Redwing Avenue	313-40-065	\$966.85	\$1,144.32
10/10/2012	10/12/2012	4703	\$500.00	John L. Goodell	1608 Redwing Avenue	313-40-065	\$966.85	\$1,144.32
10/17/2012	10/25/2012	4705	\$500.00	John L. Goodell	1608 Redwing Avenue	313-40-065	\$945.48	\$1,235.02

Date of Citation	Invoice Date	Citation Number	Citation Amount	Owner Name	Property Address	APN	ACCOUNT BALANCE	
							Balance at Meeting	Balance for Tax Roll
10/24/2012	11/7/2012	4706	\$500.00	John L. Goodell	1608 Redwing Avenue	313-40-065	\$924.11	\$1,090.14
10/31/2012	11/7/2012	4707	\$500.00	John L. Goodell	1608 Redwing Avenue	313-40-065	\$924.11	\$1,090.14
11/7/2012	11/9/2012	4650	\$500.00	John L. Goodell	1608 Redwing Avenue	313-40-065	\$920.82	\$1,097.84
11/21/2012	12/3/2012	4708	\$500.00	John L. Goodell	1608 Redwing Avenue	313-40-065	\$881.37	\$1,057.98
10/8/2012	10/12/2012	4742	\$100.00	Michael Galindo	291 Charles Street	165-13-031	\$193.37	\$228.86
10/16/2012	10/25/2012	4748	\$200.00	Michael Galindo	291 Charles Street	165-13-031	\$378.19	\$449.10
7/11/2012	8/10/2012	4688	\$100.00	Michelle M. & Sean M. Miller	421 S. Fair Oaks Avenue	209-21-032	\$214.08	\$249.80
12/18/2012	12/26/2012	4778	\$100.00	Mohammad Rakhshandhroo	237 Charles Street	165-13-025	\$168.71	\$203.96
12/26/2012	12/27/2012	4779	\$200.00	Mohammad Rakhshandhroo	237 Charles Street	165-13-025	\$336.77	\$407.26
1/3/2013	1/22/2013	4780	\$500.00	Mohammad Rakhshandhroo	237 Charles Street	165-13-025	\$799.18	\$974.96
1/10/2013	1/22/2013	4784	\$500.00	Mohammad Rakhshandhroo	237 Charles Street	165-13-025	\$799.18	\$974.96
8/13/2012	8/16/2012	4718	\$100.00	Samantha A. Stone and Paul Donovan	220 E. Eaglewood Avenue	204-19-042	\$212.11	\$247.80
8/20/2012	8/31/2012	4719	\$200.00	Samantha A. Stone and Paul Donovan	220 E. Eaglewood Avenue	204-19-042	\$414.36	\$485.62
8/27/2012	8/31/2012	4720	\$500.00	Samantha A. Stone and Paul Donovan	220 E. Eaglewood Avenue	204-19-042	\$1,035.89	\$1,214.06
9/4/2012	9/12/2012	4721	\$500.00	Samantha A. Stone and Paul Donovan	220 E. Eaglewood Avenue	204-19-042	\$1,016.16	\$1,194.14
9/11/2012	9/14/2012	4722	\$500.00	Samantha A. Stone and Paul Donovan	220 E. Eaglewood Avenue	204-19-042	\$1,012.88	\$1,190.82
9/18/2012	10/1/2012	4723	\$500.00	Samantha A. Stone and Paul Donovan	220 E. Eaglewood Avenue	204-19-042	\$984.93	\$1,162.58
9/25/2012	10/1/2012	4725	\$500.00	Samantha A. Stone and Paul Donovan	220 E. Eaglewood Avenue	204-19-042	\$984.93	\$1,162.58
10/4/2012	10/12/2012	4728	\$500.00	Samantha A. Stone and Paul Donovan	220 E. Eaglewood Avenue	204-19-042	\$966.85	\$1,144.32
10/5/2012	10/12/2012	4729	\$500.00	Samantha A. Stone and Paul Donovan	220 E. Eaglewood Avenue	204-19-042	\$966.85	\$1,144.32
10/8/2012	10/12/2012	4740	\$500.00	Samantha A. Stone and Paul Donovan	220 E. Eaglewood Avenue	204-19-042	\$966.85	\$1,144.32
10/9/2012	10/12/2012	4743	\$500.00	Samantha A. Stone and Paul Donovan	220 E. Eaglewood Avenue	204-19-042	\$966.85	\$1,144.32
10/16/2012	10/25/2012	4745	\$500.00	Samantha A. Stone and Paul Donovan	220 E. Eaglewood Avenue	204-19-042	\$945.48	\$1,122.74
10/11/2012	10/25/2012	4747	\$500.00	Samantha A. Stone and Paul Donovan	220 E. Eaglewood Avenue	204-19-042	\$945.48	\$1,122.74
10/12/2012	10/25/2012	4746	\$500.00	Samantha A. Stone and Paul Donovan	220 E. Eaglewood Avenue	204-19-042	\$945.48	\$1,122.74
10/17/2012	10/25/2012	4749	\$500.00	Samantha A. Stone and Paul Donovan	220 E. Eaglewood Avenue	204-19-042	\$945.48	\$1,122.74
10/18/2012	10/25/2012	4750	\$500.00	Samantha A. Stone and Paul Donovan	220 E. Eaglewood Avenue	204-19-042	\$945.48	\$1,122.74
							<b>\$47,654.60</b>	<b>\$56,125.10</b>

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
SUNNYVALE CONFIRMING ASSESSMENTS ON REAL  
PROPERTIES FOR NONPAYMENT OF UTILITY CHARGES  
TO BE PLACED ON THE FY 2013/2014 TAX ROLL**

WHEREAS, the City of Sunnyvale provides water, refuse and/or sewer service to real properties located within city limits; and

WHEREAS, certain accounts are consistently delinquent and attempts to collect funds through the billing and notification process have been unsuccessful; and

WHEREAS, Section 12.50.110 of the Sunnyvale Municipal Code allows the Director of Finance to cause charges not collected within 60 days for water, sewer or refuse services to be collected on the tax roll together with its general taxes; and

WHEREAS, pursuant to Section 12.50.110, the Director of Finance caused a written report to be filed with the City Clerk describing each parcel of real property as to which such delinquency exists and the amount of the charge due, as set forth in Exhibit A; and

WHEREAS, pursuant to Section 12.50.110, the City Council, following a noticed public hearing, shall adopt a resolution confirming, discharging or modifying the amount of the liens; and

WHEREAS, on \_\_\_\_\_, 2013, the City Council conducted a duly noticed public hearing;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SUNNYVALE THAT:

1. The City Council confirms the amount of the lien to be recorded against each parcel of real property set forth in the report attached as Exhibit A.
2. The City Council directs the City Clerk to file with the Director of Finance, on or after \_\_\_\_\_, 2013, a copy of the report attached as Exhibit A, indicating that the report has been finally adopted by the City Council.
3. The Director of Finance, after receipt of the report from the City Clerk, is authorized and directed to take all appropriate and necessary steps to record a lien against each property in the amount set forth in the report attached as Exhibit A.

Adopted by the City Council at a regular meeting held on \_\_\_\_\_, 2013, by the following vote:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

ATTEST:

APPROVED:

\_\_\_\_\_  
City Clerk  
(SEAL)

\_\_\_\_\_  
Mayor

APPROVED AS TO FORM AND LEGALITY:

\_\_\_\_\_  
Joan A. Borger, City Attorney

**Delinquent Utility Accounts to be Assessed on County Tax Roll  
Fiscal Year 2013-2014**

APN Number	City Acct Number	Property Address	Name	Delinquent Balance	County Administration Charge	Total Due
201-31-018	164881 - 31846	580 SUNNYMOUNT AVE	GORMAN, MARK & EUGENE J JR.	\$686.39	\$6.93	\$693.32
201-31-035	50783 - 31938	539 SUNNYMOUNT AVE	GIONET, DEBRA	\$1,138.43	\$11.50	\$1,149.93
202-06-020	45339 - 28412	679 CONWAY RD	SMETS, TOM	\$1,273.06	\$12.86	\$1,285.92
313-14-035	20635 - 12622	1416 NAVARRO DR	FRUMVELLER, HARRY & CAROLYN	\$393.85	\$3.98	\$397.83
313-01-058	109915 - 12846	1372 S. WOLFE RD	AGUILERA, TERESA	\$1,209.57	\$12.22	\$1,221.79
Total				\$4,701.30	\$47.49	\$4,748.79