Work Session

Agenda Item #	3
Meeting Date	February 3, 2016
Prepared By	Linda S. Perlman Assistant City Attorney
Approved By	Suzanne Ludlow City Manager

	City Manager	
Discussion Item	Ordinance Requiring the Registration of Vacant Properties and Establishing Vacant Property Maintenance and Security Standards	
Background	This draft Ordinance is intended to address the problem of vacant properties (both residential and commercial) in the City by requiring the registration of vacant properties and imposing maintenance and security requirements for vacant properties.	
	"Distressed" properties— <i>i.e.</i> , those that are pending foreclosure or tax lien sale or have been the subject of a foreclosure, but title was retained by the lender, etc.—are to be registered as a vacant property within 30 days after the property is found to be vacant. For distressed property, the "responsible party" must register the property as vacant. The responsible party may be the lender who is pursuing foreclosure or a mortgage servicer, property preservation or property management company responsible for securing and maintaining the property for the lender or beneficiary of the deed of trust/mortgage that is in default.	
	Other vacant property in the City must be registered by the owner (or owner's agent) within 30 days of the vacancy. All vacant properties are subject to the vacant property maintenance and security requirements set forth in 6.38.100 of the draft Ordinance. Property that remains furnished, has utilities connected or in use, and is maintained while the owner is absent is not considered "vacant property" and does not need to be registered. Similarly, buildings under active construction or renovation do not need to be registered as vacant property. See definition of "vacant property" in 6.38.030.	
Policy	The City wants to discourage the neglect of vacant properties in the City and to maintain a livable community that is vibrant, healthy, and safe for all of its residents.	
Fiscal Impact	To be determined.	
Attachments	 Ordinance Requiring the Registration of Vacant Properties and Establishing Vacant Property Maintenance and Security Standards Montgomery County Code, sec. 26-15 – Severe conditions and corrective action. 	
Recommendation	Review and discuss. Determine whether the attached Ordinance should proceed to a first reading of the Council.	
Special Consideration		

Montgomery County Code

Sec. 26-15. Severe conditions and corrective actions.

- (a) Severe conditions. If the enforcing agency finds that immediate action is needed to protect the public health and safety as a result of a violation of this Chapter, Chapter 22, Chapter 8, or Chapter 17, the enforcing agency may, without notice, conference, or hearing, order the owner to correct or abate the violation.
- (1) The order must be hand-delivered to the owner. If the order cannot be hand-delivered, the order must be posted on the property in a conspicuous location on or near each dwelling or nonresidential structure affected by the order.
- (2) If the owner does not abate or correct the violation as directed after the order is delivered or posted, the enforcing agency may take any action reasonably necessary to abate or correct the condition or may contract to have the necessary action taken.
- (3) If an enforcing agency proposes to take any action under this subsection that would directly affect any building or structure which has been designated on the master plan for historic preservation as a historic site or a historic resource in a historic district, the enforcing agency must make its best effort to consult with the Chair of the Planning Board or the Chair's designee before the enforcing agency removes the building or structure, substantially alters any exterior feature, or contracts to do either.
- (b) Violation, affect on adjacent property. If an enforcing agency finds that any violation of this Chapter affects neighboring properties or the health or safety of the occupants or the public, the enforcing agency may order necessary actions by notice and service under subsection (a). If the actions are not taken in the time and manner prescribed, the enforcing agency may authorize an officer, agent or employee of the County, or a contractor, to execute the order.
- (c) Costs charged to owner. The owner is liable to the County for all reasonable and necessary costs the County incurs as a result of an action taken under subsection (a) or (b). The costs constitute a debt owed the County and may be placed on the tax bill as a lien on the property and collected as ordinary taxes are collected, or collected as any other debt.

NOTE: Takoma Park Code §6.36.020.C. incorporates and adopts Montgomery County Code §26-15, Severe conditions and corrective actions, as part of Takoma Park Code Chapter 6.36, Unsafe Buildings – Public Nuisance Abatement. By Takoma Park Code §6.36.030, the word "County" is amended to read "City" and "Enforcing Agency" is defined as the Department of Housing and Community Affairs, as the City of Takoma Park, or as the City Manager or his or her designee.

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1	1 Introduced by: First Reading:		
2	Second Reading:		
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9		INI	
	WHEDEAS the presence of vecent chandened unsers and forcelesed prepart	os son lood	
	WHEREAS, the presence of vacant, abandoned, unsafe, and foreclosed propert to neighborhood decline, create an attractive public nuisance, contribute to lower proper		
	and discourage potential buyers from purchasing a property adjacent to or in neighborhood	•	
	the aforementioned properties; and		
_			
	WHEREAS, the City of Takoma Park wishes to protect its neighborhoods from	decline and	
Lŏ	18 devaluation; and		
L9	WHEREAS, the City of Takoma Park wishes to establish a vacant property reg	stration	
20	program as a mechanism to protect residential and commercial neighborhoods from bec	oming	
21	blighted through lack of adequate maintenance and for the security of vacant and aband	oned	
22	22 properties.		
2	NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE C	ITY OF	
	TAKOMA PARK, MARYLAND.		
	SECTION ONE Title 6 Housing of the Takema Dauk Code is smanded by or	ldina o novy	
	SECTION ONE. Title 6, Housing, of the <i>Takoma Park Code</i> is amended by ac Chapter 6.38, Vacant Property Registration, as follows:	aing a new	
_0	Chapter 0.50, Vacant Property Registration, as follows.		
27	27 6.38.010 Purpose.		
28	It is the purpose and intent of the City of Takoma Park, through the adoption of	this Chapter	
29	to establish a vacant property registration program as a mechanism to protect residentia	-	
30	commercial neighborhoods from becoming blighted through the lack of adequate maint	enance and	
31	for the security of distressed properties and vacant properties.		
32	32 6.38.020 Scope.		
22	The provisions of this Chapter shall apply to all existing, residential, commercia	l industrial	
34	The provisions of this Chapter shall apply to all existing, residential, commercial, industrial and institutional properties and structures. This Chapter does not relieve an owner from compliance		
	with all applicable City ordinances and regulations or all applicable Montgomery Coun	-	
	of Maryland laws and regulations.	•	
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6.38.030 Definitions.

- "Beneficiary" means a lender or other entity under a note secured by a deed of trust or mortgage lien.
- **"Building"** means a structure with a roof supported by columns or walls to serve as a shelter or enclosure.
 - "Default" means the failure to perform a contractual obligation, monetary or conditional.
- "Distressed property" means a property that is under a current (1) notice of default or delinquent on the mortgage; (2) pending foreclosure or tax lien sale; (3) properties that have been the subject of foreclosure sale where the title was retained by the lender or beneficiary of a deed of trust involved in the foreclosure; and/or (4) any properties transferred under a deed in lieu of foreclosure. "Distressed property" also can include property that is vacant as a result of probate or the death of the owner of record.
- **"Evidence of vacancy"** means any condition that on its own, or combined with other conditions present would lead a reasonable person to believe that the property is vacant. Such conditions include but are not limited to: overgrown and/or dead vegetation; accumulation of newspapers, circulars, flyers and/or mail; past due utility notices and/or disconnected utilities; accumulation of trash, junk and/or debris; broken or boarded windows; abandoned vehicles and/or auto parts or materials; the absence of window coverings such as curtains, blinds and/or shutters; the absence of furnishings and/or personal items consistent with habitation; and/or statements by neighbors, passersby, delivery agents, or government employees that the property is vacant.
- **"Foreclosure"** means the process by which a property, placed as security for a real estate loan, is sold through the courts at auction to satisfy the debt if the owner/borrower/mortgagor defaults.
- **"Lender/Mortgagee"** means the person or entity who is the secured party under any mortgage or deed of trust instrument, or who has a fiduciary interest in the property, which can include the mortgage servicer.
- "Notice of Default" means a notice that a default has occurred under a mortgage or deed of trust and that the beneficiary intends to proceed with a trustee's or foreclosure sale.
- **"Owner"** means any person, partnership, corporation, unincorporated association, limited liability entity, trust, estate, or fiduciary having legal or equitable title to or interest in any real property.
- "Owner of record" means the person having record title to the property as shown in the Land Records of Montgomery County, Maryland.
- **"Property"** means any unimproved or improved real property, or portion thereof, situated in the City and includes the buildings or structures located on the property regardless of condition.
- "Responsible party" means the beneficiary that is pursuing foreclosure of a property subject to this Chapter secured by a mortgage, deed of trust or similar instrument or a property that

has been acquired by the lender or beneficiary of a deed of trust involved in the foreclosure. Responsible party may also include a mortgage servicer or the property preservation company or property management company instructed with the security and maintenance of the property.

"Securing" means such measures as may be directed by the City Manager, or his or her designee, that assist in rendering the property inaccessible to unauthorized persons, including but not limited to the repairing of fences and walls, chaining/padlocking of gates, the repair or boarding of door, window and/or other openings. Boarding shall be completed to a minimum of the securing standards set forth in *Takoma Park Code* section 6.36.060.C, as amended, at the time the boarding is completed or required. Locking includes measures that require a key, keycard, tool or special knowledge to open or gain access.

"Vacant" means no person or persons currently conduct a lawful business or lawfully reside or live in any part of the building or structure as the legal or equitable owner(s) or tenant-occupant(s) on a permanent, non-transient basis. A property is vacant when there is no habitual presence of persons who have a legal right to be on the premises, or all lawful business or construction activity or residential occupancy has substantially ceased, or which is substantially devoid of contents. In the case of mixed-use buildings, a separate tenanted portion of the building which meets these criteria may also be deemed vacant.

"Vacant property" means a lot or parcel of real property with at least one building, structure, or portion that is not currently used or occupied for a period in excess of thirty (30) days. A building or structure that remains furnished, has utilities connected or in use, and on property that is maintained while the owner is absent shall not be considered vacant. A building or structure that is under active construction or undergoing active rehabilitation, renovation or repair, and there is a building permit to make the building fit for occupancy that was issued, renewed or extended within six (6) months of the date of vacancy shall not be subject to the vacant property registration requirement of this Chapter; provided, however, that the cessation of active construction, rehabilitation, repair or demolition activity for more than 30 days will result in the property being deemed a vacant property and subject to the registration, security, and maintenance requirements of this Chapter.

6.38.040 Inspections of Distressed Property.

- A. Prior to filing a complaint of foreclosure or notice of default or accepting a deed in lieu of foreclosure, the responsible party, or their designee, shall inspect a distressed property to determine whether the property is vacant. If the distressed property is found to be vacant or shows evidence of vacancy, the responsible party shall, within 30 days, register the property as a vacant distressed property with the City for the purpose of minimizing hazards to persons and property as a result of the vacancy.
- B. If a distressed property is occupied, but remains in default, it shall be inspected by the responsible party, or their designee, monthly until: (1) the default is remedied; or (2) the property is found to be vacant or shows evidence of vacancy. The responsible party or their designee shall, within 30 days after obtaining knowledge of vacancy, register the property as a vacant distressed property with the City for the purpose of minimizing hazards to persons and property as a result of the vacancy.

116 117	6.38.050	Registration of Vacant Distressed Property.		
118 119 120	completing and sub	responsible party or their designee shall register a vacant distressed property by mitting the Vacant Distressed Property Registration form and submitting the the City, along with the required fee.		
121	B. The	Vacant Distressed Property Registration form shall include the following:		
122	1.	The address of the vacant distressed property.		
123 124	2. telephone number,	The name, current street/office mailing address (no post office boxes), and email of all owners of the vacant distressed property.		
125 126 127 128 129	and email, and the company, field serv	The name of the responsible party, the street/office mailing address of the to post office boxes), a responsible party direct contact name, telephone number name, address, telephone number, and email of the property management rice provider, property preservation or real estate owned (REO) section or ible for inspecting, securing, and maintaining the property.		
130	4.	An explanation as to the reason for the vacancy of the property.		
131 132 133 134	C. If a vacant distressed property is not registered, then the City may give the responsible party or their designee a written notice of vacancy and the responsible party or their designee shall register the vacant distressed property with the City within 30 days of receipt of a notice of vacancy from the City.			
135 136 137	not to exceed one (stration of a vacant distressed property shall be valid and effective for a period 1) year, beginning July 1 and ending the next June 30, and shall be renewed until the property is no longer a vacant distressed property.		
138 139		ant distressed property shall remain under the registration requirement, security andards of this Chapter so long as the property is distressed property.		
140 141 142 143 144	bankruptcy or other taking any of the ac complete informati	responsible party shall inform the City of any pending action, such as a court or administrative action that would prohibit the responsible party from tions required by this Chapter. The responsible party shall provide the City with on about any pending action that it alleges prevents the responsible party from a Chapter, including the security and maintenance standards set forth herein.		
145 146	G. Faile offense.	are to register a vacant distressed property is a Class C municipal infraction		
147	6.38.060	Owner Registration of Vacant Property.		
148 149		owner of vacant property located in the City shall register the vacant property a 30 days of the vacancy.		

- B. If a vacant property is not registered, then the City may give the owner of record a written notice of vacancy and the owner shall register the vacant property with the City within 30 days of receipt of the notice of vacancy from the City.
 - C. Owners who are required to register their vacant properties pursuant to this Chapter shall do so by completing and submitting the Vacant Property Registration form to the City, along with the required fee. The Vacant Property Registration form may be signed by an agent for an owner provided the agent's written authorization from the owner is also provided. The Vacant Property Registration form shall include the following:
 - 1. The name, current street/office mailing address (no post office boxes), telephone number, and email of all owners of the vacant property. If any owner of the vacant property is not the same as the owner of record, then an explanation of the reasons for the difference in ownership shall be provided.
 - 2. The name of an individual or legal entity responsible for the care and control of the vacant property. Such individual may be the owner, if the owner is an individual, or may be someone other than the owner provided that the owner has contracted with such a person or entity to act as his or her agent for purposes of this Chapter.
 - 3. A current street/office mailing address (no post office boxes), telephone number and email of the owner's agent, along with a direct contact name, telephone number, and email for the direct contact of the owner's agent.
 - 4. A certificate of property insurance in an amount equal to or greater than the tax assessed value of the property.
 - 5. An explanation as to the reason for the vacancy of the property.
 - D. Registration of a vacant property shall be valid and effective for a period not to exceed one (1) year, beginning July 1 and ending the next June 30, and shall be renewed annually thereafter until the property is no longer a vacant distressed property.
 - E. Vacant property shall remain under the registration requirement, security and maintenance standards of this Chapter so long as the property is vacant.
 - F. The owner or owner's agent shall inform the City of any pending action, such as a bankruptcy or other court or administrative action, that would prohibit the owner or owner's agent from taking any of the actions required by this Chapter. The owner or owner's agent shall provide the City with complete information about any pending action that it alleges prevents the owner or owner's agent from complying with this Chapter, including the security and maintenance standards set forth herein.
 - G. Failure to register a vacant distressed property is a Class C municipal infraction offense.

6.38.070 Fire Damaged Property.

If a building or structure is damaged in a fire or other casualty, the owner has 90 days from the date of the fire or other casualty to apply for a permit to start construction, rehabilitation, repair or demolition and 30 days after the date of permit issuance to commence construction, rehabilitation, repair or demolition of the fire damaged building or structure. Failure to do or the cessation of active construction, rehabilitation, repair or demolition activity for more than 30 days will result in the property being deemed a vacant property and subject to the registration, security, and maintenance requirements of this Chapter.

6.38.080 Registration Fee.

The annual fee for registering a Vacant Distressed Property or a Vacant Property shall be \$200.00 payable to the City of Takoma Park and submitted to the City, along with the required registration form and all supporting information and documentation. Registration of a Vacant Distressed Property or a Vacant Property is for the fiscal year beginning July 1 and ending the next June 30. Unpaid registration fees shall be charged a late fee of 2% for each month or portion of a month that the registration fee remains unpaid. Registration fees are non-refundable and are not prorated in the event a registration fee is paid for a partial year. Unpaid registration fees are a lien on the property and may be collected in the same manner as taxes are collected.

6.38.090 Requirement to Keep Information Current.

If at any time the information contained in the responsible party's Vacant Distressed Property Registration or the owner's Vacant Property Registration form is no longer valid, then the responsible party or owner, as applicable, has 15 days to file a new form containing valid, current information. There shall be no fee to update an existing registered responsible party's or owner's current information.

6.38.100 Vacant Property Maintenance and Security Requirements.

- A. *Maintenance Requirements*. The responsible party of a vacant distressed property and the owner or owner's agent of a vacant property shall comply with the following maintenance requirements:
- 1. The exterior of the property shall be kept free of weeds, dry bush, dead vegetation, trash, junk, debris, building materials, any accumulation of newspapers, circulars, flyers, notices (except those required by federal, state or local law), discarded personal items including but not limited to, furniture, clothing, large and small appliances, printed material or any other items that give the appearance that the property is vacant and abandoned.
- 2. The property shall be maintained free of graffiti, tagging or similar markings by removal or painting over with an exterior grade paint that matches the color of the exterior of the structure.
- 3. All visible front and side yards shall be landscaped and properly maintained during the vacancy of the property. Landscaping includes, but is not limited to, grass, ground

covers, bushes, shrubs, hedges or similar plantings. Maintenance includes, but is not limited to cutting, pruning and mowing of required landscaped and removal of all trimmings.

- 4. Pools, spas, and other water features shall be kept in working order so the water remains clear and free of pollutants and debris or drained and kept dry. Properties with pools and/or spas must comply with applicable security fencing requirements.
 - 5. Adherence to the maintenance requirements of this section does not relieve the responsible party, owner or owner's agent of any obligations set forth in any Covenants, Conditions, and Restrictions and/or Homeowners Association rules and regulations which may apply to the property.
 - **B.** Security Requirements. The responsible party of a vacant distressed property and the owner or owner's agent of a vacant property shall maintain the property in a secure manner so as not to be accessible to unauthorized persons. All vacant property shall be deemed adequately protected from intrusion by trespassers and from deterioration by the weather if:
- 1. Building openings: Doors, windows, areaways and other openings are weather tight and secured against entry by birds, vermin, and trespassers. Missing or broken doors, windows and opening coverings are covered with at least one-half inch of CDX plywood completely painted in accordance with the predominant tone of the building, weather protected, tightly fitted to the opening and secured by screws or bolts.
- 2. *Roofs:* The roof and flashings are sound, tight, will not admit moisture, and drained to prevent dampness or deterioration in the walls or interior.
- 3. *Drainage:* The building gutters and downspouts are watertight and entire storm drainage system is adequately sized, installed in an approved manner, functional and discharged in an approved manner.
- 4. Exterior Building Structure: The building is maintained in good repair, structurally sound, free from debris, rubbish and garbage, and sanitary, walking surfaces and stairs are structurally sound, so as not to pose a threat to the public health or safety.
- 5. *Structural Members:* The structural members are free of deterioration and capable of safely bearing imposed dead and live loads.
- 6. *Foundation Walls:* The foundation walls are plumb, free from open cracks and breaks, and rat-proof.
- 7. Exterior Walls: The exterior walls are free of holes, breaks, and loose or rotting materials. Exposed metal and wood surfaces are protected from the elements and against decay or rust by periodic application of weather coating materials, such as paint or similar surface treatment.
- 8. Structure Extensions: All balconies, porches, canopies, marquees, signs, metal awnings, cornices, stairways, fire escapes, standpipes, exhaust ducts and similar features are in good repair, anchored, safe and sound. Exposed metal and wood surfaces are protected from the

- elements and against decay or rust by periodic application of weather coating materials, such as paint or similar surface treatment.
- 9. *Chimneys and Towers:* Chimneys, cooling towers, smokestacks, and similar appurtenances are structurally safe. Exposed metal and wood surfaces are protected from the elements and against decay or rust by periodic application of weather coating materials, such as paint or similar surface treatment.
- 267 10. *Sidewalk Openings:* Yard, walks, steps, and openings in sidewalks are safe for pedestrian travel.
- 11. *Accessory and Appurtenant Structures:* Accessory and appurtenant structures such as garages, sheds, and fences are free from safety and health hazards.
 - 12. *Premises:* The premises on which a structure is located is clean, safe and sanitary, maintained free of weeds, junk cars, and litter, and does not pose a threat to the public health or safety.
 - C. *Inspections*. Vacant property and vacant distressed property required to be registered in accordance with this Chapter shall be inspected by the owner or owner's agent or by the responsible party on a monthly basis to determine if the property is in compliance with the requirements of this Chapter.

6.38.110 Posting of Notices.

Vacant property and vacant distressed property required to be registered in accordance with this Chapter shall be posted with the name and a 24-hour contact telephone number of the owner/owner's agent or responsible party, including any local property management company. The posting shall contain along with the contact name and contact telephone number, words substantially similar to "THIS PROPERTY PRESERVED BY _______" and "TO REPORT PROBLEMS OR CONCERNS CALL _______". The notice 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/structure facing the street to the front of the property so it is visible from the street or if no such area exists, on a stake of sufficient size to support the posting in a location that is visual 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. The owner or owner's agent or the responsible party, property preservation company or property management company shall inspect the vacant or distressed property on at least a monthly basis to determine if the property remains in compliance with the notice posting requirements of this section.

6.38.120 Additional Authority.

In addition to the enforcement remedies established in this Chapter, the City Manager or his or her designee shall have the authority to require the lender/mortgagee and/or owner or owner's agent of any property affected by this Chapter, to implement additional maintenance and/or security measures including but not limited to, securing any and all doors, windows or other openings, installing additional security lighting, increasing on-site inspection frequency, employment of on-

299 site security guard or other measures as may be reasonably required to arrest the decline of the 300 vacant property. 6.38.130 Violations and Enforcement. 301 If the City Manager or his or her designee determines that the vacant property or 302 vacant distressed property is in violation of any provision of: (1) this Chapter; (2) Chapter 6.36, 303 304 Unsafe Buildings--Public Nuisance Abatement; (3) Chapter 6.12, Property Maintenance Code; or (4) other Takoma Park Code provisions, then the City Manager or his or her designee shall notify 305 the owner/owner's agent or the lender/mortgagee/responsible party of the violation by providing 306 307 notice of the violation to the person indentified in the Registration Application, and shall require the owner/owner's agent or the lender/mortgagee/responsible party to correct the violation. 308 309 В. A Notice of Violation shall include a description of the violation and, except for 310 severe conditions where immediate action is needed to protect the public health and safety (see Montgomery County Code §26-15 incorporated as part of Chapter 6.36, Unsafe Buildings--Public 311 312 Nuisance Abatement, by *Takoma Park Code* §6.36.020.C) or failure to secure the vacant property, shall provide a period of not less than twenty (20) days from the mailing or delivery of the notice 313 314 for the owner/owner's agent or the lender/mortgagee/responsible party to remedy the violation. If the responsible party fails to remedy the violation within the stated period, the City may issue a 315 citation for a Class C violation and impose penalties against the owner/owner's agent or the 316 lender/mortgagee/responsible party for the violation. 317 318 **SECTION TWO.** This Ordinance shall be effective on ______ 319

NAY:
ABSENT:
ABSTAIN:

THIS _____ DAY OF _____, 2016, BY ROLL-CALL VOTE AS FOLLOWS:

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AYE:

ADOPTED BY THE COUNCIL OF THE CITY OF TAKOMA PARK, MARYLAND,