



# City of Sunnyvale

## Agenda Item-No Attachments (PDF)

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### **REPORT TO COUNCIL**

#### **SUBJECT**

Adopt a Resolution Confirming the Report and Assessment List for Unpaid Administrative Citations to be Placed on the FY 2021/22 County of Santa Clara Property Tax Roll, and Find That This Action is Exempt From the California Environmental Quality Act

#### **BACKGROUND**

Chapter 1.05 of the Sunnyvale Municipal Code 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 violations and are consequently issued administrative citations. Despite the efforts of City staff to collect on these citations, there are several unpaid administrative citations still outstanding.

Each year, the Council considers a resolution directing staff to proceed with the Special Assessment Procedure for placing delinquent administrative citations on the tax roll.

#### **EXISTING POLICY**

Sunnyvale Municipal Code Section 1.05.110(d) - Recovery of administrative citation fines and costs, Special Assessment Procedure.

#### **ENVIRONMENTAL REVIEW**

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15378 (b) (4) in that it is a governmental fiscal activity that does not involve any commitment to any specific project which may result in a potential significant impact on the environment.

#### **DISCUSSION**

After each administrative citation is issued, the Department of Finance sends 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 1 are a minimum of 90 days delinquent in paying their administrative citation fines. Repeated attempts to collect the delinquent fines through the billing and notification process have been unsuccessful.

Property owners were notified of tonight's telepresence public hearing by certified mail as required by Sunnyvale Municipal Code Section 1.05.110 (d)(3). Property owners have a right to address the City Council and explain why the Council should reduce or eliminate the balance owed to the City before they are placed on the property tax roll. It should be noted that all citation recipients have already

been provided with the opportunity to appeal the citations and the appeal period has long since expired. Some citation recipients on this list appealed and subsequently presented their cases in front of a Hearing Officer who upheld the citations, based upon evidence presented by staff, while others opted not to appeal the citations.

Council has the authority to either place these debts on the property tax roll or attempt to collect the delinquent funds by other means, such as a collection agency or sending additional delinquent notices; however, these approaches have proven mostly ineffective. Historically, the City has experienced a high collection rate by placing delinquent accounts on the property tax roll. This process 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.

Exhibit A of the attached resolution provides an itemized list of the citations. The "Balance for Tax Roll" column includes any additional late payment penalties plus the County of Santa Clara's 1% administrative fee. Late payment penalties accrued prior to November 11, 2021 accrued at 10% per month (mandated per Council Resolution No. 109-02) and penalties incurred starting November 11, 2021 accrued at the new rate of 1% per month (mandated per Council Resolution No. 1029-20). If a property owner chooses to pay prior to the placement of citations on the tax roll, the amount due would be prorated accordingly.

### **FISCAL IMPACT**

If approved, staff will forward the charges, including late payment penalties and County administrative charges of one percent, to the County of Santa Clara for collection on the FY 2021/22 Property Tax Roll. The combined assessments equal \$13,248.14.

### **PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, Sunnyvale Public Library and Department of Public Safety. In addition, the agenda and report are available at the Office of the City Clerk and on the City's website.

### **ALTERNATIVES**

1. Adopt a Resolution confirming the Report and Assessment List for unpaid administrative fines to be placed on the FY 2021/22 County of Santa Clara Property Tax Roll and find that the Action is Exempt from California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15378 (b) (4).
2. Do not adopt a resolution. Direct staff to attempt to collect the delinquent funds through other specific means, such as a collection agency or sending additional delinquent notices.

### **STAFF RECOMMENDATION**

Alternative 1: Adopt a Resolution confirming the Report and Assessment List for unpaid administrative fines to be placed on the FY 2021/22 County of Santa Clara Property Tax Roll and find that the Action is Exempt from California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15378 (b) (4).

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Reviewed by: Teri Silva, Assistant City Manager

Approved by: Kent Steffens, City Manager

**ATTACHMENTS**

1. Unpaid Administrative Fines Resolution