

PUBLIC HEARING ON RECORDING LIENS ON PROPERTIES FOR REIMBURSEMENT OF THE COSTS OF SIDEWALK REPAIRS

Presenters:

Rick Bruneau, Director of Finance

John Ristow, Director of Transportation

John Kachmanian, Deputy Director of Finance – Revenue Management



SIDEWALK REPAIR CRITERIA

- Repair areas may include sidewalk, driveway approach, curb & gutter, and/or parkstrip located adjacent to property.
- Repair criteria includes:
 - Vertical separation of more than one-half (1/2) inch.
 - Ramping: rise or depression of more than one (1) inch within eight (8) inches, in conjunction with a vertical separation.
 - Hole or opening in a break or construction joint of one (1) inch or more.
 - Breaking away, spalling, or chipping of concrete with a depth of more than one-half (1/2) inch.



INITIAL SIDEWALK REPAIR NOTICE

- Sidewalk repairs may include curb, gutter, driveway approach, and/or parkstrip area
- State law ([Streets and Highways Code, Chapter 22 of Division 7, Part 3](#)) and San José Municipal Code ([Section 14.16.2200](#)) place responsibility of sidewalk repairs with the adjacent property owner
- Department of Transportation generates a repair notice after inspection determines repairs are needed
- Inspections conducted as the result of community requests and City staff field observations



SIDEWALK REPAIR ACTIVITY

- Vast majority of sidewalk repairs are completed and resolved successfully
- Proposed liens are for property owners who have not reimbursed the City for the expenses associated with City contractor repairs
- FY 2023-2024 Sidewalk Repair Activity (through April 17, 2024)
 - 2,731 sidewalk repairs completed
 - * 80% of repairs completed by property owner
 - * 20% of repairs completed by City contractor
 - 2,174 property owners completed sidewalk repairs using their own contractor
 - * ~\$134K in Sidewalk Repair Inspection Fees
 - 557 properties were serviced by City Contractors
 - * ~\$61.5K in Sidewalk Repair Inspection Fees
 - * ~\$1.6M advanced from the General Fund to repair sidewalks



FINANCIAL HARDSHIP PROGRAM

- FY 2023-2024 Financial Hardship Budget (through April 17, 2024)
 - Transportation received 158 requests for financial hardship and approved 74 properties (~\$282K)
 - In FY 2022-2023, Transportation approved 91 properties for financial hardship (~\$369K)
- Eligibility is based on income guidelines set forth by the U.S. Department of Housing and Urban Development, in accordance with Area Median Income (AMI):

Qualifying Income Limits for Financial Hardship		
Number of Dependents	Below 50% AMI	Below 80% AMI
1	\$62,450	\$96,000
2	\$71,400	\$109,700
3	\$80,300	\$123,400
4	\$89,200	\$137,100
5	\$96,350	\$148,100
6	\$103,500	\$159,050
7	\$110,650	\$170,050
8	\$117,750	\$181,000
Hardship Support	100%	50%



REPAIRS PROCESS OVERVIEW AND TIMELINE

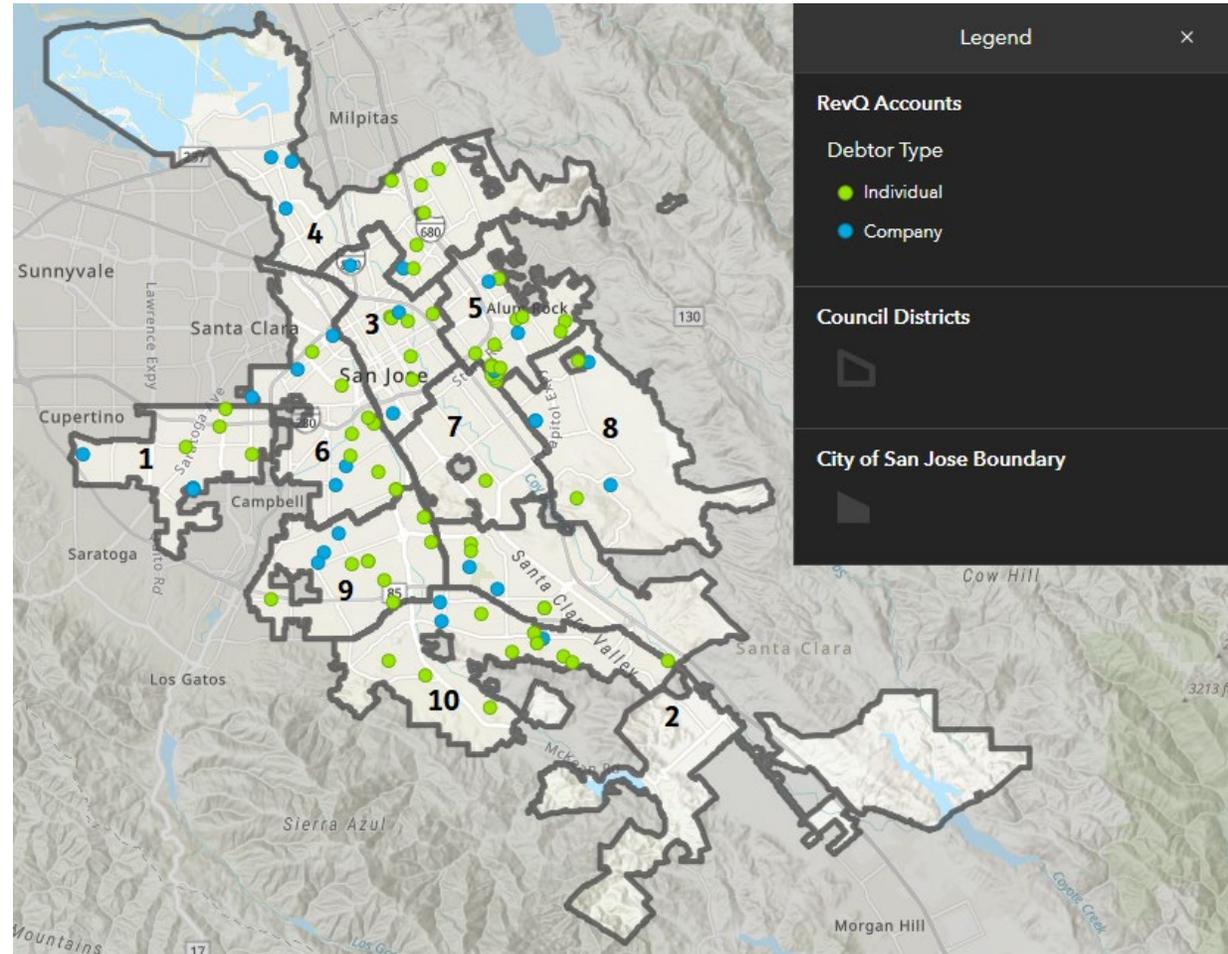
- Phase 1: Sidewalk Repairs & Noticing
 - 3 Repair Notices, including a brochure (with financial hardship information) and property door hangar, are sent to property owner over a 3-month period
 - If the property owner has not completed the repair work, the City contracts to complete the repair(s)
- Phase 2: Invoicing, Payment & Delinquency Process
 - After the repair work is completed, Department of Transportation issues an invoice with an amount due and payment due date
 - If payment is not made by the due date OR the property owner has NOT entered into an agreed-upon payment plan, Finance sends 30-day, 60-day, and final notices
- Phase 3: Lien Process
 - ✓ City Council approves a memorandum to set a public hearing for the cost of sidewalk repairs
 - ✓ Transportation sends two notices of intent to lien to delinquent property owners
 - ✓ Transportation hosts administrative conference(s) for property owners to discuss their bill(s)
 - ❑ City Council holds a public hearing to record liens on properties for the reimbursement of repairs
 - ❑ Special Assessment is placed on the Santa Clara County Secured Property Tax Bill



DELINQUENT SIDEWALK INVOICES PENDING LIEN

- 104 Delinquent Sidewalk Repair Invoices
- Sidewalk Repair Fees: ~\$194K
- Delinquency Fees: ~\$27K
- Lien Fees: ~\$14K
- **Total: ~\$235K**

- Average Invoice Balance: ~\$2.3K
- Average Invoice Age: ~455 Days



RECOMMENDATIONS

- a) Conduct a public hearing on recording liens on properties for the reimbursement of the cost of sidewalk repairs;
- b) Adopt a resolution confirming the Report from the Director of Finance concerning the delinquent sidewalk repair costs and the assessments contained in the report, and;
- c) Direct the recording of liens and the placement of charges as set forth therein on the 2024-2025 Santa Clara County Secured Property Tax Bill for the cost of sidewalk repairs.

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