

ORDINANCE NO. 887

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, ADDING CHAPTER 6.14 TO TITLE 6 OF THE MUNICIPAL CODE ESTABLISHING THE REGISTRATION OF RESIDENTIAL PROPERTY IN FORECLOSURE

WHEREAS, the presence of real properties in foreclosure can lead to neighborhood decline by creating a public nuisance which could contribute to lower property values and could discourage potential buyers from purchasing a property adjacent to or in neighborhoods with properties in foreclosure; and

WHEREAS, many properties in foreclosure are the responsibility of out of area or out of state beneficiaries and trustees, and in many instances the beneficiaries and/or trustees fail to adequately maintain and secure these properties in foreclosure; and

WHEREAS, establishing a registration program for properties in foreclosure will assist City staff in developing and maintaining a database to contact the responsible parties and to enforce maintenance and safety provisions of the Municipal Code; and

WHEREAS, the City Council desires to preserve the health, safety and welfare of residents and the community, and to the extent possible, protect neighborhoods from declining property values, aesthetic decay, and/or loss of character.

The City Council of the City of Moreno Valley does ordain as follows:

SECTION 1.

Moreno Valley Municipal Code, Chapter 6.14, "Registration of Residential Property in Foreclosure," is added to read as follows:

Chapter 6.14 REGISTRATION OF RESIDENTIAL PROPERTY IN FORECLOSURE

6.14.010 Purpose.

The purpose of this Chapter is to establish a Property registration program as a mechanism to protect neighborhoods from becoming blighted through lack of adequate maintenance and security of properties due to foreclosure.

6.14.020 Definitions.

The following definitions shall govern all terms of this Chapter and shall supersede any term otherwise defined in this Chapter:

"Abandoned" means a Property that is vacant and under a current Notice of Default or that has been the subject of a foreclosure sale where the title was retained by the Beneficiary of a Deed of Trust involved in the foreclosure or that was transferred under a Deed in Lieu of Foreclosure and/or Sale.

"Beneficiary" means a lender under a note secured by a Deed of Trust.

"City" means the City of Moreno Valley, Community Services District (CSD), Housing Authority of Moreno Valley and each of their officers, officials, employees, agents and assigns.

"Deed in Lieu of Foreclosure and/or Sale" means a recorded document that transfers ownership of a Property from the trustor upon consent of the Beneficiary of the Deed of Trust.

"Deed of Trust" means an instrument by which real estate is transferred to a third party trustee as security for a real estate loan. This definition applies to all deeds of trust regardless of priority.

"Default" means the failure to fulfill a contractual obligation, monetary or non-monetary.

"Foreclosure" means the process by which a Property, placed as security for a real estate loan, is sold at auction to satisfy the debt if the Trustor (borrower) defaults.

"Local" means within 50-road/driving miles distance of the subject Property.

"Notice of Default" means a recorded notice that a Default has occurred under a Deed of Trust and that the Beneficiary intends to proceed with a Trustee's sale or other similar remedies authorized by law.

"Out of Area" means in excess of 50-road/driving miles distance of the subject Property.

"Property" means any unimproved or improved residential real property, or portion thereof, situated in the City of Moreno Valley and includes the buildings or structures located on the property regardless of condition.

"Property in Foreclosure" means any Property upon which a Notice of Default has been issued by a lender, mortgagee, or Beneficiary of any Deed of Trust, or vacant or abandoned real Property that has been the subject of a foreclosure sale where the title was transferred to the Beneficiary of a Deed of Trust involved in the Foreclosure and any properties transferred under a Deed in Lieu of Foreclosure and/or Sale.

“Trustee” means the person, firm, or corporation holding a Deed of Trust on a Property.

“Trustor” means a borrower under a Deed of Trust, who deeds Property to a Trustee as security for payment of a debt.

“Vacant” means a Property that is not lawfully occupied.

6.14.030 Registration of Properties.

- A. Any Beneficiary or Trustee, who holds, or has an interest in, a Deed of Trust on a Property in Foreclosure, located within the City, shall register the Property in Foreclosure with the Community and Economic Development Department of the City. If the Beneficiary or Trustee issues a Notice of Default after the Effective Date of this Ordinance, they shall register such Property in Foreclosure with the City within fifteen (15) calendar days of the issuance of such Notice of Default. If the Beneficiary or Trustee issues a Notice of Default prior to the Effective Date of this Ordinance, and such Notice of Default has not been rescinded, the Beneficiary or Trustee shall register the Property in Foreclosure with the City within thirty (30) calendar days of the Effective Date of this Ordinance.

The registration requirement described in this section shall also apply to Vacant or Abandoned Property that has been the subject of a Foreclosure sale where the title was transferred to the Beneficiary of a Deed of Trust involved in the Foreclosure and any properties transferred under a Deed in Lieu of Foreclosure and/or Sale.

- B. The registration requirements of this section shall be satisfied by providing the City the following information:
1. The address and Assessor Parcel Number (APN) of the Property in Foreclosure;
 2. The name of the primary Beneficiary and/or Trustee (corporation or individual) responsible for the registration;
 3. The name(s) of all other Beneficiaries and/or Trustees (corporations or individuals) who held a security interest at the time when the Notice of Default was recorded;
 4. The direct street and/or office mailing address of the Beneficiaries and Trustees (P.O. boxes are insufficient);
 5. A direct contact name and phone number for person(s) or agent(s) acting on behalf of the primary Beneficiary and/or Trustee;

6. In the case of a corporation or Out of Area Beneficiary and/or Trustee, a direct contact staff member name and phone number with a Local property management company responsible for the security, maintenance and marketing of the Property in Foreclosure; such staff member must be empowered to (i) comply with code compliance orders issued by the City, (ii) provide a trespass authorization upon request of the local law enforcement authorities if the Property is unlawfully occupied, (iii) conduct weekly inspections of the Property, and (iv) accept rental payments from tenants of the Property if no management company is otherwise employed for such person; and
 7. Other information as deemed necessary by the Community and Economic Development Department.
- C. Any person, firm, or corporation that has registered a Property under this Chapter must report any change of information contained in the registration with the Community and Economic Development Department within ten (10) calendar days of the change. If the Community and Economic Development Department determines that the Beneficiary and/or Trustee has failed to comply with the registry requirements of this Chapter, the Community and Economic Development Department shall mail notice to the Beneficiary and/or Trustee at the last known address as provided in Section 6.14.030 of the failure to comply with this Chapter. If the Beneficiary and/or Trustee fail to comply with this Chapter within thirty (30) calendar days of Community and Economic Development Department notification, the Beneficiary and/or Trustee shall pay a penalty or penalties as prescribed in Section 6.14.100.
- D. Properties subject to this Chapter shall remain subject to the annual registration requirement and the security and maintenance standards of this code as long as they remain Properties in Foreclosure.

6.14.040 Registration Fee.

A Foreclosed Properties Registration Fee, as prescribed in Section 6.14.080 shall be paid to City at the time of registration.

6.14.050 Maintenance and Security of Properties in Foreclosure.

- A. Properties subject to this Chapter shall be maintained up to City's maintenance standards in compliance with Chapter 6.04.040 of this Code and secured in a manner so as not to be accessible to unauthorized persons.
- B. If the Property is owned by a corporation or an Out of Area Beneficiary/Trustee/Owner, a Local property management company that

holds a valid and current City Business License shall be contracted to perform weekly inspections to verify that the Property is in full compliance with the requirements of this Chapter, and any other applicable laws. If the property management company determines the Property is not in compliance, it shall promptly notify the Beneficiary/Trustee/Owner and seek authorization to correct the substandard conditions.

- C. In addition to specific maintenance standards found in Section 6.04.040 (Declaration of nuisances) of this Code, Properties in Foreclosure shall be maintained in the following manner: watering and mowing of lawn; trimming of trees, hedges and shrubbery; removing and discarding weeds and other dry or dead vegetation, removing and discarding trash, debris, building materials, appliances, and all other items (personal belongings, vehicles, etc.) on the exterior of the building; repairing aesthetic features of the structure to be compatible to the surrounding structures within the block.
- D. Properties in Foreclosure shall be secured such that all windows, doors (walkthrough, sliding, and garage), gates and any other opening that may allow access to the interior of the Property and/or structure(s) are intact, closed and locked. In the case of broken windows, "secured" means re-glazing or boarding-up the window.
- E. If a pool, spa, pond, fountain or other architectural feature capable of holding water exists on the Property, it must be completely emptied of all water and kept dry at all times. Furthermore, any such feature must be inspected and drained periodically so as not to accumulate rainwater.
- F. The Property shall be posted with the name and twenty-four (24) hour contact phone number of the Local contact or property management company. The posting shall be 8½" x 11" or larger in size, shall be of a font that is legible from a distance of twenty (20) feet, and shall contain the following verbiage: "THIS PROPERTY IS MANAGED BY _____. TO REPORT PROBLEMS OR CONCERNS CALL (name and phone number)." The posting shall be placed on the interior side 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 on the front of the Property so it is visible from the street. If no such area exists, the posting shall be on a stake of sufficient size to support the posting, in a location that is visible from the street to the front of the Property, and to the extent possible, not readily accessible to potential vandalism. Exterior posting must be constructed of, and printed with weather resistant materials.

6.14.060 Declaration of Nuisance.

The duties/obligations specified in this Chapter shall be joint and several among

and between all Trustees and Beneficiaries and their respective agents. . Should a property be deemed a public nuisance, hazardous, or substandard by the City, the City may initiate the abatement procedures described in Section 6.04.050 (Abatement) against the Property Owner, Tenant, Beneficiary and/or Trustee.

6.14.070 Fees.

- A. A Foreclosed Properties Registration Fee will be required for properties subject to this Chapter. The fee shall reimburse the City for staff time incurred and resources expended in its administration of this Chapter.
- B. The Foreclosed Properties Registration Fee shall be set forth by Resolution as approved by the City Council.
- C. Additional hourly inspection fees as set forth in the City's Fees Schedule may be levied on a Property for staff time to inspect and enforce the provisions of the Chapter when a complaint has been filed on a Property subject to this Chapter.

6.14.080 Authority and Enforcement.

The Community and Economic Development Department shall manage the implementation, coordination, documentation, administration and enforcement of this Chapter.

6.14.090 Penalties.

- A. Violation of any provision of this Chapter may be enforced by a civil action, including an action for injunctive relief. In any civil enforcement action, administrative or judicial, the prevailing party shall be entitled to recover its attorneys' fees and costs.
- B. A violation of this Chapter may be punished as set forth in Title 1 of the City's Municipal Code.
- C. The procedures established in this Chapter shall supplement and be in addition to any criminal, civil or other remedy established by law or under the provisions of this code to address violations of this Chapter or violations of any other City of Moreno Valley ordinance.

6.14.100 Refunds.

In the event a Trustee, Beneficiary or agent of a Beneficiary, or other third party passes the cost of the registration fee to the Trustor/home owner, the City shall grant a full refund to said Trustor/home owner provided the following evidence is submitted for review and approval by the City:

- A. The Trustor/home owner has occupied the residential property at all times.
- B. The residential property is no longer in default.
- C. The residential property is no longer required to be registered under this Ordinance.
- D. Proof of registration fee paid by Trustor/home owner.

6.14.110 Applicability of Other Laws.

Nothing in this code shall relieve any Beneficiary or Trustee of the duty to comply with any and all other applicable statutes, regulations, ordinances, codes, and laws regulating property maintenance, zoning, or building construction. Compliance with this code shall not relieve any Beneficiary or Trustee of any legal duties under such laws.

SECTION 2.

Except as specifically provided herein, nothing contained in this ordinance shall be deemed to modify or supersede any prior enactment of the City Council which addresses the same subject addressed herein.

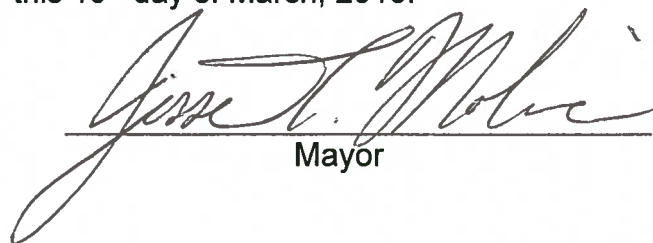
SECTION 3.

Within fifteen days after the date of adoption hereof, the City Clerk shall certify to the adoption of this ordinance and cause it to be posted in three public places within the city.

SECTION 4.

This ordinance shall take effect thirty days after the date of its adoption.

APPROVED AND ADOPTED this 10th day of March, 2015.



Mayor

ATTEST:



City Clerk

APPROVED AS TO FORM:



City Attorney

ORDINANCE JURAT

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

I, Jane Halstead, City Clerk of the City of Moreno Valley, California, do hereby certify that Ordinance No. 887 had its first reading on February 24, 2015 and had its second reading on March 10, 2015, and was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 10th day of March, 2015, by the following vote:

- AYES: Council Members Giba, Jempson, Price, Mayor Pro Tem Gutierrez and Mayor Molina

- NOES: None

- ABSENT: None

- ABSTAIN: None

(Council Members, Mayor Pro Tem and Mayor)



CITY CLERK

