Planning Commission Meeting Date: June 1, 2017 Agenda Item 6a.

PLANNING COMMISSION AGENDA ITEM

CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Development Code Amendment to Expand Use of Civil Penalties and Other Fees Collected
DEPARTMENT: PRESENTED BY:	Planning & Community Development Paul Cohen, Planning Manager Steven Szafran, AICP, Senior Planner
☐ Public Heari	

BACKGROUND

Currently, the Development Code SMC 20.30.777 (A) states that civil penalties and abatement funds must be used for abatement of code violations. Staff recommends that the code be amended to expand potential uses of this fund to include other code enforcement activities in support of Shoreline's code enforcement program. The City's abatement fund contains more money than is required to address abatement needs annually and could be used in support of these other code enforcement activities.

The code defines "Abate" as:

To repair, replace, remove, destroy or otherwise remedy a condition which constitutes a Code Violation by such means, in such a manner, and to such an extent as the Director determines is necessary in the interest of the general health, safety and welfare of the community and the environment. (Ord. 406 § 1, 2006).

DISCUSSION

The City typically budgets \$100,000 a year for the abatement fund. The City may expend these funds to resolve public nuisances on private or public property. These funds expended by the City to address public nuisances on private property are billed to the property owner. Typical abatement projects include: boarding up of vacant nuisance structures; removal of accumulated refuse in extreme cases; payment of relocation assistance funds to tenants displaced by code violations; and removal of junk vehicles from private property. In some cases, the property owner pays the abatement bill from the City upon receipt. If the property owner does not pay the bill for the abatement, the City instructs the County Assessor to recoup the abatement costs by an

Approved By:

Project Manager Planning Director Planning Director

assessment against the real property to be collected as taxes by the King County Treasury. Eventually, the cost of abatement is repaid to the City and deposited back into the abatement fund.

Civil penalties are separate from abatement costs. The City collects civil penalties as described in SMC 20.30.770:

D. Civil Penalties.

- 1. A civil penalty for violation of the terms and conditions of a notice and order shall be imposed in the amount of \$500.00. The total initial penalties assessed for notice and orders and stop work orders pursuant to this section shall apply for the first 14-day period following the violation of the order, if no appeal is filed. The penalties for the next 14-day period shall be 150 percent of the initial penalties, and the penalties for the next 14-day period and each such period or portion thereafter shall be double the amount of the initial penalties.
- 2. Any responsible party who has committed a violation of the provisions of Chapter 20.50 SMC, General Development Standards (tree conservation, land clearing and site grading standards), or Chapter 20.80 SMC, Critical Areas, will not only be required to restore unlawfully removed trees or damaged critical areas, insofar as that is possible and beneficial, as determined by the Director, but will also be required to pay civil penalties in addition to penalties under subsection (D)(1) of this section, for the redress of ecological, recreation, and economic values lost or damaged due to the violation. Civil penalties will be assessed according to the following factors:
 - a. For violations within critical areas and required buffers, an amount determined pursuant to SMC 20.80.130(E); or
 - b. For violations not located within critical areas and required buffers, an amount determined to be equivalent to the economic benefit that the responsible party derives from the violation measured as the total of:
 - i. The resulting increase in market value of the property; and
 - ii. The value received by the responsible party; and

- iii. The savings of construction costs realized by the responsible party as a result of performing any act in violation of the chapter; and
- c. A penalty of \$2,000 if the violation has severe ecological impacts, including temporary or permanent loss of resource values or functions.
- 3. An additional penalty of \$2,000 if the violation was deliberate, the result of knowingly false information submitted by the property owner, agent, or contractor, or the result of reckless disregard on the part of the property owner, agent, or their contractor. The property owner shall assume the burden of proof for demonstrating that the violation was not deliberate.
- 4. A repeat violation means a violation of the same regulation in any location within the City by the same responsible party, for which voluntary compliance previously has been sought or any enforcement action taken, within the immediate preceding 24-consecutive-month period, and will incur double the civil penalties set forth above.
- 5. Under RCW <u>59.18.085</u>, if, after 60 days from the date that the City first advanced relocation assistance funds to displaced tenants, the landlord does not repay the amount of relocation assistance advanced by the City, the City shall assess civil penalties in the amount of \$50.00 per day for each tenant to whom the City has advanced a relocation assistance payment.
- 6. The responsible parties have a duty to notify the Director of any actions taken to achieve compliance with the notice and order. For purposes of assessing civil penalties, a violation shall be considered ongoing until the responsible party has come into compliance with the notice and order and has notified the Director of this compliance, and an official inspection has verified compliance and all assessed penalties and costs have been paid to the City.
- 7. a. Civil penalties will be waived by the Director or will be reimbursed to the payer by the Director, with the concurrence of the Administrative Services Director, under the following documented circumstances:
 - i. The notice and order were issued in error; or
 - ii. The civil penalties were assessed in error; or

- iii. Notice failed to reach the property owner due to unusual circumstances.
- b. Civil penalties accrued under subsection (D)(1) of this section will be reduced by the Director to 20 percent of accrued penalties if voluntary compliance is achieved and the City is reimbursed its reasonable staff and professional costs incurred in enforcing the notice and order.
- 8. Deep Green Incentive Program.
 - a. Failure to submit the supplemental reports required by SMC <u>20.50.630(F)</u> by the date required within six months and two years of issuance of the certificate of occupancy is subject to civil penalties as specified in subsections (D)(1) and (D)(4) of this section.
 - b. If the project does not meet the requirements after two years of occupancy as detailed under SMC <u>20.50.630(F)(6)(a)</u> through (c), the applicant or owner will be required to pay the following:
 - i. Failure to demonstrate compliance with the provisions contained in SMC 20.50.630(F)(6)(a) through (c) is subject to a maximum penalty of five percent of the construction value set forth in the building permit for the structure. This fee may be reduced at the discretion of the Director based on the extent of noncompliance.
 - ii. In addition, the applicant or owner shall pay any permit or other fees that were waived by the City.

Civil penalties are a tool used by the City to provide incentive to property owners and other responsible parties (ex. tenants) to voluntarily correct code violations in a timely fashion. Civil penalties are also used to penalize certain actions that are particularly egregious such as illegal tree removal; damage to critical areas or critical area buffers (See SMC 20.80.130.E); deliberate violations; repeat violations.

Conclusion

In the past five years, the most the City spent annually on abatement was \$27,246. Because each year the City passes the remaining fund into the next year, the annual fund has increased. At the end of 2016, the abatement fund contained \$167,938. It would be beneficial to the code enforcement program to broaden the ability to use these

funds to include more than just abatement. Staff recommends broadening the use of the civil penalties collected and abatement funds to include other activities to support the code enforcement program. These activities could include education, additional inspection, hiring of specialized resources (ex. hiring of noise expert), training (ex. how to use a sound level meter) and outside legal assistance in addition to abatement activities.

TIMING AND SCHEDULE

Planning Commission Public Hearing – July 6 City Council Study Session – July 31 City Council Decision – August 14

ATTACHMENT

Attachment A – Proposed Amendment to SMC 20.30.775 Collection of penalties and costs.