

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
ACTION AGENDA SUMMARY

DEPT: ENVIRONMENTAL RESOURCES *Kmw*

BOARD AGENDA # *B-8

Urgent _____ Routine x

AGENDA DATE September 18, 2001

CEO Concurs with Recommendation YES *pt* NO _____
(Information Attached)

4/5 Vote Required YES _____ NO ✓

SUBJECT:

ACCEPTANCE OF THE ANNUAL REPORT OF SUBSTANDARD HOUSING AND CODE ENFORCEMENT ACTIVITIES PURSUANT TO SECTION 17274 OF THE CALIFORNIA REVENUE AND TAXATION CODE FOR CALENDAR YEAR 2000.

STAFF
RECOMMEN-
DATIONS:

ACCEPT THE ANNUAL REPORT OF SUBSTANDARD HOUSING AND CODE ENFORCEMENT ACTIVITIES IN COMPLIANCE WITH THE REVENUE AND TAXATION CODE, SECTION 17274.

FISCAL
IMPACT:

There is no fiscal impact.

BOARD ACTION

No. 2001-708

On motion of Supervisor Simon, Seconded by Supervisor Caruso
and approved by the following vote,

Ayes: Supervisors: Blom, Simon, Caruso, and Chair Paul

Noes: Supervisors: None

Excused or Absent: Supervisors: Mayfield

Abstaining: Supervisor: None

1) X Approved as recommended

2) _____ Denied

3) _____ Approved as amended

MOTION:

Christine Ferraro

ACCEPTANCE OF THE ANNUAL REPORT OF SUBSTANDARD HOUSING AND CODE ENFORCEMENT ACTIVITIES PURSUANT TO SECTION 17274 OF THE CALIFORNIA REVENUE AND TAXATION CODE FOR CALENDAR YEAR 2000.

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DISCUSSION: The Personal Income Tax Law and the Bank and Corporation Tax Law prohibit a taxpayer who derives rental income from substandard housing from deducting interest, taxes or depreciation.

This law defines substandard housing as one which has been determined to violate state or local codes dealing with health and safety, and after written notice of violation by the regulatory agency, has not been brought to a condition of compliance within six months after the date of said notice.

The referenced law requires that each regulatory agency report their code enforcement activities to the appropriate legislative body of its jurisdiction, in this case, the Franchise Tax Board. The following is the Department of Environmental Resources' (DER) code enforcement activity for the preceding calendar year, along with a short summary of the subdivision text:

1. The number of written notices of violations issued for substandard dwellings under subdivision (b): 296

Subdivision (b) defines substandard housing as housing which has been determined by a state or local regulatory agency (DER), to violate state or local codes dealing with health, safety or building.

2. The number of violations complied with within the period prescribed in subdivision (b): 263

Subdivision (b) specifies that substandard housing, when issued a notice of violation by the regulatory agency (DER), shall be brought into a condition of compliance within six months.

3. The number of notices of noncompliance issued pursuant to subdivision (c): 9

Subdivision (c) requires that when the compliance period specified in subdivision (b) expires without compliance, the regulatory agency (DER) shall mail to the taxpayer a notice of noncompliance.

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4. The number of appeals from those notices pursuant to subdivision (c):
1

Subdivision (c) states that appeals shall be made to the same body and in the same manner as appeals from other actions of the regulatory agency, which is DER.

5. The number of successful appeals by owners: 0

Appeals received from the taxpayer within 10 days of receipt, which causes the regulatory agency (DER) to reverse the initial findings.

6. The number of notices of noncompliance mailed to the Franchise Tax Board pursuant to subdivision (c): 9

If no appeal is made to DER by the property owner within 10 days or after disposition of the appeal if the regulatory agency (DER) is sustained, DER shall notify the Franchise Tax Board of noncompliance.

7. The number of cases in which a notice of noncompliance was not sent pursuant to subdivision (d): 12

Subdivision (d) states that a notice of noncompliance shall not be mailed if the rental housing was rendered substandard solely by reason of earthquake, flood or other natural disaster. Or, the owner of the rental housing has secured financing and commenced repairs to bring such housing into compliance with those laws or codes that have been violated. Or, the owner has attempted to secure financing, and such financing is denied solely because the housing is located in a neighborhood or geographical area in which financial institutions do not provide financing for rehabilitation of any such housing.

8. The number of extensions for compliance granted pursuant to subdivision (d) and the mean average length of the extensions: 0

The same criteria as in item #7, above, is used for this determination.

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9. The mean average length of time from the issuance of a notice of violation to the mailing of a notice of noncompliance to the Franchise Tax Board where the notice is actually sent to the Franchise Tax Board: 190 days (six months plus ten days warning).
10. The number of cases where compliance is achieved after a notice of noncompliance has been mailed to the Franchise Tax Board: 2

POLICY
ISSUE:

The Board should decide if this report should be accepted. Acceptance of this report ensures our compliance with the Revenue and Taxation Code, which requires that we annually report certain information regarding substandard housing and code enforcement activities. This item supports the Board's priority of ensuring a safe and healthy community.

STAFFING
IMPACT:

None.