



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Joseph Horwedel
Hans F. Larsen

**SUBJECT: EXTENSION OF AVASA
PROGRAM**

DATE: 08-22-11

Approved

Date

8/31/11

COUNCIL DISTRICT: Citywide

RECOMMENDATION

Adopt a resolution authorizing the City of San José to continue its participation in the Santa Clara County Abandoned Vehicle Abatement Service Authority (AVASA) program and the extension for a third 10-year term beginning May 1, 2012, of the collection of the vehicle registration fee by the California Department of Motor Vehicles.

OUTCOME

The proposed Resolution will:

- Continue the City's participation in the Santa Clara County AVASA program for a 10-year term beginning May 1, 2012; and
- Extend the collection, by the Department of Motor Vehicles (DMV), of a one dollar vehicle registration fee for this purpose.

BACKGROUND

Sections 9250.7 and 22710 of the California Vehicle Code provide for the establishment of a service authority for abandoned vehicle abatement if the County Board of Supervisors, by a two-thirds vote, and a majority of the cities having a majority of the incorporated population within a county adopt resolutions supporting such action. This program imposes an annual vehicle registration fee of one dollar on the vehicles registered to owners. Revenue collected by the DMV is used to reimburse participating agencies with 50 percent of collected revenue being distributed based on a jurisdiction's population percentage within the county and the other 50 percent being distributed based on the jurisdiction's percentage of vehicles abated countywide.

In 1991, Santa Clara County established the AVASA program and the Council adopted a resolution authorizing the City of San José's participation. This service authority was

established to provide law and code enforcement agencies with resources to facilitate the proper removal and disposal of abandoned vehicles. Participation in the AVASA program is approved in 10-year increments. The Council previously adopted a resolution in 2002 to extend the AVASA program through April 30, 2012 and now needs to adopt another resolution to continue participating in the program.

ANALYSIS

One of the most frequent requests for service received by City staff relates to concerns regarding the storage of vehicles on public streets and blight related to wrecked, dismantled, or inoperative vehicles which have been abandoned on both public and private property. In FY 10-11, over 16,000 vehicle abatement complaints were received by the Department of Transportation (DOT) requesting assistance with, and the removal of, vehicles abandoned on public streets. Unless removed these types of vehicles can pose a health and safety hazard and are a public nuisance. The Department of Planning, Building and Code Enforcement (PBCE) is responsible for removing vehicles inappropriately stored on private property and received approximately 850 complaints about inoperable vehicles on private property in FY 10-11.

Over the last 10 years, DOT and PBCE have abated over 92,000 vehicles and the City has collected approximately \$6.9 million dollars from the AVASA reimbursement program. Countywide during the same time period there have been approximately 207,000 vehicles abated and over \$14.2 million dollars reimbursed as a result of the AVASA program. Through the third quarter of FY 10-11, the City has received reimbursements in the amount of \$411,650 for the abatement of approximately 3,000 abandoned, wrecked, dismantled, stored or inoperative vehicles from public and private property. There is strong support for the vehicle abatement program throughout the City and continuation of the program is strongly encouraged.

Currently all cities within Santa Clara County are active participants in the AVASA program and all city and County representatives have indicated that resolutions authorizing continued participation in the AVASA program and continuance of the one dollar registration fee will be requested of their respective City Councils and the Board of Supervisors. To continue to participate in the AVASA program all agencies must provide the DMV certified copies of adopted resolutions outlining their commitment to the program by October 1, 2011.

The proposed resolution will extend the Santa Clara County AVASA program until April 30, 2022, continue the City's participation in the AVASA program, and DMV's continued collection of the one dollar vehicle registration fee. There are approximately 39 other counties within California that will also be seeking continuation of their respective programs and, therefore, the Santa Clara County AVASA Board of Directors is attempting to have all resolutions adopted by September 16, 2011, to ensure that DMV receives all certified resolutions by October 1, 2011. If the City does not meet the deadline established by DMV, it may be forced to miss out in one year of participation in the AVASA program and, therefore, will miss out in one year of reimbursement funding.

EVALUATION AND FOLLOW-UP

City staff meets quarterly with the Santa Clara County Abandoned Vehicle Abatement Service Authority, as do representatives of all other cities within the county. AVASA funds are tracked and each city's percentage of AVASA funds are distributed and reported for verification by all AVASA participants.

POLICY ALTERNATIVES

If the Council chooses not to approve the recommended action, it would result in the termination of participation in the AVASA program on April 30, 2012 and result in the City's inability to receive any further State reimbursement for costs associated with the abatement of abandoned vehicles.

PUBLIC OUTREACH/INTEREST

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

This memorandum will be posted on the City's website for the Council meeting.

COORDINATION

This report has been coordinated with the City Attorney's Office and the City Manager's Budget Office.

FISCAL/POLICY ALIGNMENT

Continuing the City's participation in the AVASA program supports the adopted City Service Area outcomes related to providing a safe, healthy, attractive and livable community.

COST SUMMARY/IMPLICATIONS

There is no net cost to the City General Fund as a result of approving the recommended action. Through participation in the AVASA program, the State reimburses the County and all participating incorporated cities for expenses related to removal of abandoned vehicles from public and private property. Over the last 10-year increment, City staff has abated over 92,000 vehicles and received reimbursement of approximately \$6.9 million dollars from the AVASA program.

In FY 11-12, an estimated \$600,000 will be reimbursed to the City offsetting approximately \$1.6 million in vehicle abatement expenses. If the City does not continue its participation in the program beyond April 30, 2012, the City would forego reimbursement of any subsequent vehicle abatement expenses. It is also unknown whether the AVASA program would continue on a Countywide basis without San José's participation given the City's population represents more than a majority of the incorporation population in the County.

CEQA

Not a project, File No. PP10-069, City organizational and administrative activities.

/s/

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Director of Planning, Building and
Code Enforcement

/s/

HANS F. LARSEN
Director of Transportation

For questions please contact Joe Garcia, Division Manager of Transportation, at 535-3833.