

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

Presenters:

Maria Öberg, Director of Finance

John Ristow, Director of Transportation

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SIDEWALK REPAIR CRITERIA

- Repair areas may include sidewalk, driveway approach, curb and 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 2024-2025 Sidewalk Repair Activity (through May 8, 2025)
 - 5,296 sidewalk repairs completed
 - * 68% of repairs completed by property owner
 - * 32% of repairs completed by City contractor
 - 3,606 property owners completed sidewalk repairs using their own contractor
 - * ~\$245.5K in Sidewalk Repair Inspection Fees
 - 1,690 properties were serviced by City Contractors
 - * ~\$185.9K in Sidewalk Repair Inspection Fees
 - * ~\$1.43M advanced from the General Fund to repair sidewalks



FINANCIAL HARDSHIP PROGRAM

- FY 2024-2025 Hardship Budget (through May 8, 2025)
 - Transportation received 289 requests for sidewalk hardship and approved 124 properties (~\$391K)
 - In FY 2023-2024, Transportation approved 74 properties for hardship (~\$282K)
- 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	\$64,550	\$102,300
2	\$73,750	\$116,900
3	\$82,950	\$131,500
4	\$92,150	\$146,100
5	\$99,550	\$157,800
6	\$106,900	\$169,500
7	\$114,300	\$181,200
8	\$121,650	\$192,900
Hardship Support	100%	50%



REPAIRS PROCESS OVERVIEW AND TIMELINE

- Sidewalk Repairs and Noticing (August – October)
 - 3 Repair Notices, including a brochure (with 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)
- Invoicing, Payment and Delinquency Process (November – March)
 - 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
- Lien Process (March – August)
 - ✓ 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



CITY COUNCIL APPROVAL TO SET PUBLIC HEARING

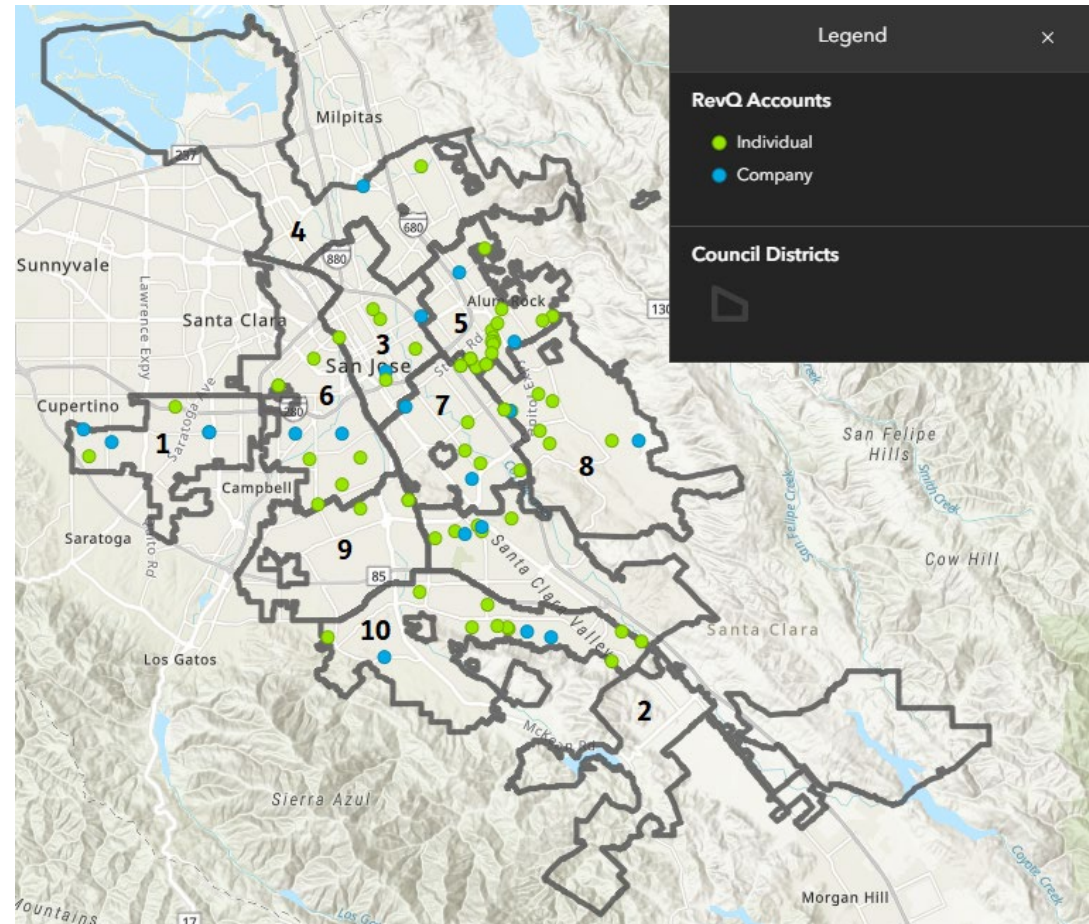
- On April 15, 2025, City Council approved a memorandum to set a public hearing for the cost of sidewalk repairs on June 17, 2025
- The memorandum was coordinated with the Department of Transportation, the Office of the City Attorney, and the City Manager's Budget Office
- The memorandum included the schedule to file sidewalk repair liens on delinquent properties:

		Action	Date
<input checked="" type="checkbox"/>	City Council	Set Public Hearing	April 15, 2025
<input checked="" type="checkbox"/>	Department of Transportation	Mail First Notice Regarding Administrative Conferences and Public Hearing Date	April 22, 2025
<input checked="" type="checkbox"/>	Department of Transportation	Mail Second Notice Regarding Administrative Conferences and Public Hearing Date	April 29, 2025
<input checked="" type="checkbox"/>	Department of Transportation	Conduct Administrative Conferences	May 6-7, 2025
	City Council	<input type="checkbox"/> Conduct Public Hearing	
		<input type="checkbox"/> Adopt Resolution Confirming Director's Report for Proposed Liens	June 17, 2025



DELINQUENT SIDEWALK INVOICES PENDING LIEN

- 99 Delinquent Sidewalk Repair Invoices
- Sidewalk Repair Fees: ~\$248.5K
- Delinquency Fees: ~\$42K
- Lien Fees: ~\$16.5K
- **Total: ~\$307K**
- Average Invoice Balance: ~\$3K
- Average Invoice Age: ~545 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 2025-2026 Santa Clara County Secured Property Tax Bill for the cost of sidewalk repairs.

