



AGENDA SUMMARY PAGE

CITY COUNCIL MEETING OF: MAY 6, 2009

DEPARTMENT: NEIGHBORHOOD SERVICES

DIRECTOR: STEPHEN K. HARSIN

☐ Consent ☒ Discussion

SUBJECT:

Hearing to consider request for a waiver and/or reduction of civil penalties for the property located at 5041 North Cimarron Road in the amount of \$70,550. PROPERTY OWNER: BANK WASHINGTON MUTUAL/JP MORGAN CHASE- Ward 4 (Steinman)

Fiscal Impact

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No Impact

☐ Augmentation Required

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Budget Funds Available

Amount:

Funding Source:

Dept./Division: Neighborhood Services/Response

PURPOSE/BACKGROUND:

Today's hearing is a request from Washington Mutual/JP Morgan Chase to consider a request for a waiver and/or reduction of civil penalty fees in the amount of \$70,550 imposed on this parcel at the City Council Meeting on September 17, 2008. The case was generated on August 22, 2007 and was in violation of Las Vegas Municipal Code (LVMC) 9.04.020 and Section 202 of the Uniform Housing Code. The property was abated on April 28, 2008 and a lien was recorded at Clark County recorders office on October 2, 2008. Neighborhood Services received two letters one dated March 3, 2009 on behalf of Washington Mutual Bank/JP Morgan Chase and a second letter dated March 17, 2009 on behalf of REO Asset Services, LLC /1st Realty Group requesting the civil penalties be waived. On March 26, 2009, the Director of Neighborhood Services responded to both parties explaining procedure for this request and providing invoices as requested.

RECOMMENDATION:

No recommendation.

BACKUP DOCUMENTATION:

1. Request for Waiver and Reduction Application
2. Location Maps
3. Letter from Lender Processing Services dated March 3, 2009 on behalf of Washington Mutual
4. Letter from 1st Realty Group, Thomas Blanchard, Broker/Owner of REO Asset Services dated March 17, 2009
5. Response Letter from Stephen K. Harsin to both parties, dated March 26, 2009

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6. Hearing Notification Letter

Motion made by DAVID W. STEINMAN to Deny

Passed For: 7; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 0

RICKI Y. BARLOW, LOIS TARKANIAN, STEVE WOLFSON, OSCAR B. GOODMAN, GARY REESE, STEVEN D. ROSS, DAVID W. STEINMAN; (Against-None); (Abstain-None); (Did Not Vote-None); (Excused-None)

Minutes:

MAYOR GOODMAN declared the Public Hearing open.

DEVIN SMITH, Manager of Neighborhood Response, stated the City had abated this property and imposed significant civil penalties which the property owner was now appealing. Staff had inspected the site on May 4, 2009, and very little had been done to improve the property's condition. The property owner had not attended the hearing at which penalties were imposed.

A videotape was shown, but a copy was not submitted.

THOMAS BLANCHARD, 1st Realty Group a division of CEM Asset Services, appeared on behalf of the property owner and explained that the bank had taken complete control of the property when the penalties had been imposed and requested that the penalties be reduced. The bank was working to address the property's condition so it could be sold.

MAYOR GOODMAN explained that the City uses fees and penalties as a last resort to address blighted properties and bring the property's condition to the attention of the owner. MR. BLANCHARD briefly described the process for addressing the properties.

COUNCILMAN STEINMAN pointed out the bank had taken possession of the property last year and it remained in disarray. He disagreed with the asset management company's letter which asserted that the property had been addressed and suggested that MR. BLANCHARD should have taken care of the property prior to this hearing. He could not support the request to reduce the civil penalties.

COUNCILMAN WOLFSON suggested giving the bank some more time to correct the property's issue as he did not want to penalize the bank if they were not the owners at the time of the assessment. COUNCILMAN STEINMAN noted that the property had not been maintained during the bank's ownership and expressed his concern that the property would fall back into a blighted condition. He encouraged MR. BLANCHARD to return to the Council for a possible reduction in penalties after the property has been cleaned up.

CITY ATTORNEY BRAD JERBIC advised COUNCILMAN BARLOW that the property owner would have the option of appealing any denial.

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COUNCILWOMAN TARKANIAN stated that the bank had made no effort to maintain this property and noted that property owners are expected to care about the City and its residents.

MAYOR GOODMAN declared the Public Hearing closed.

