



*City Attorney:*  
Gary D. Saenz

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Contact:  
Monica Lagos  
[mlagos@westboundcommunications.com](mailto:mlagos@westboundcommunications.com)  
909.384.8188

***“BE GOOD OR BE GONE”***

## **City of San Bernardino Launches Receivership Program**

**Combats decreasing property values and higher crime rates by taking control of substandard, blighted properties posing significant health and safety threats**

**San Bernardino (November 18, 2014)** – 2942 Bangor Avenue. Severe blight. A significant health and safety risk to occupants and the neighborhood. Four-plus years of failure to maintain the property by the owner, a trust, and occupants. No response to numerous notices of violations and administrative citations.

On November 13, 2014, San Bernardino Superior Court Judge Donald Alvarez granted the City Attorney’s first motion for the appointment of a receiver over the property, allowing rehabilitation of the property and resale to a party who will make beneficial use of the land. Rehabilitation is slated to begin December 1, 2014 with a renovation completion date of May 29, 2015.

Coined *Receiverships Empowering Neighborhood Upkeep* (RENU San Bernardino), 2942 Bangor Avenue is the first of numerous receivership actions that will be filed against substandard properties in the City of San Bernardino.

“Receivership is a significant step in helping the City increase its property values, reduce crime rates and protect residents by eradicating blighted properties,” said City Attorney Gary Saenz. “A result of the collective effort of the City Attorney’s Office, the San Bernardino Police Department and Code Enforcement, RENU San Bernardino will help better our neighborhoods and improve overall quality of life for our residents.”

Receivership:

Under the *California Health and Safety Code*, when a property owner fails to bring a substandard property into compliance within a reasonable time after being notified of the substandard conditions, a city may file a motion to have a receiver take control of the property, rehabilitate the existing structure(s) and resell the property to a party who will make beneficial use of the land. Once a motion to appoint a receiver is granted, the subject property becomes the responsibility of a court appointed receiver. The receiver's duties include, but are not limited to, taking full and complete possession of the property, managing that property and paying all operating expenses, taxes, insurance and utilities. If the property contains rental units, the receiver may collect all rents and income from the subject property and use those funds to pay for the costs of operating and rehabilitating the property. The receiver is also empowered to obtain court approved financing to completely rehabilitate the property. Any occupants of the property may be temporarily or permanently relocated to implement the receivership plan. After the rehabilitation is complete, the property is then sold and the proceeds are used to cover the costs of initiating and completing the receivership action. Any remaining proceeds are used to pay off existing loans, and the remainder is returned to the previous owner.

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