

REPORT TO THE CITY COUNCIL

February 13, 2020

FROM: DOUGLAS T. SLOAN, City Attorney
City Attorney's Office, Code Enforcement

SUBJECT

..Title

Six month report and discussion on progress of code enforcement, including ASET report, per Council direction.

..Body

RECOMMENDATION

City Attorney's Office to provide ASET quarterly report to include Code Enforcement update.

EXECUTIVE SUMMARY

Effective July 1, 2019, Code Enforcement was moved into the City Attorney's Office. Code Enforcement includes three divisions: Rental Housing, Community Compliance, and the Special Teams. Rental Housing oversees the Anti-Slum Enforcement Team (ASET) and the Rental Housing Improvement Act (RHIA) Inspection Unit. Community Compliance currently oversees teams dedicated to each Council District. Special Teams oversees the School Area Team (SAT), and other teams dedicated to illegal dumping citations, tires, demolitions, and vacant lots. SAT conducts proactive code enforcement and community engagement efforts in neighborhoods surrounding schools. Code Enforcement works closely with the legal team on compliance agreements, inspection warrants, and court actions, such as petitions for receivership and injunctions.

BACKGROUND

Rental Housing

ASET

On November 17, 2016, the Council adopted a resolution approving ASET with the goal of increasing the stock of affordable and habitable rental housing by pursuing and improving slum properties with substantial health and safety violations through enforcement, education, fines, receiverships, and compliance agreements. The partnership between legal staff and code enforcement staff has led to compliance in over 554 units.

ASET currently has 29 open cases with properties containing more than 549 rental units. ASET uses compliance agreements, citations, and receiverships to motivate property owners into compliance. The attached ASET Weekly Status Report is updated and posted on the City's website every Friday, and it has additional information regarding each open ASET case.

Please see below for highlights related to three of the active cases.

1. 534 S. Dearing (474 Violations) - [Jose M. Wong, Ye Fen Wong, Sunny Chan, and Cecilia Chan, District 5]

This was an occupied and dilapidated 10-unit complex with substantial substandard housing conditions, including lack of AC/heat, pest infestations, ceiling failure from water leaks, boarded and broken windows, mold, and rotted exterior fascia and landings. An initial ASET inspection was conducted on June 12, 2019. A Notice and Order was issued on June 25, 2019, for 474 violations. A Compliance Agreement was executed on July 24, 2019. The final compliance inspection occurred on October 24, 2019, and all violations were cured. ASET has an open case on the neighboring property, 524 S. Dearing, a 10-unit complex owned by the same parties, which should be completed soon.

2. 202-244 W. Shields (921 Violations) - [Martin Nunez, Eduardo Robles, Absolon T. Ruiz, Ramiro Raygoza) (former owners)/MACA 1031, LLC. (managing member: Wai Cheung), as of October 14, 2019, District 1]

This is a dilapidated and occupied 20-unit complex with an extensive code enforcement history. Substandard conditions included rats and roaches, plumbing leaks, broken A/C, open electrical splices, an empty and unsecured swimming pool, and significant junk and rubbish. There are also excessive calls for police service. An initial ASET inspection was conducted on September 27, 2018. A Notice and Order was issued on January 29, 2019, for 921 violations. A Settlement Agreement was executed on April 16, 2019. The Property sold to a new owner on October 14, 2019. The latest progress inspection occurred January 16, 2020, and all violations are expected to be cleared by the end of February 2020.

3. 4412 E. Olive (397 Violations) - [Fermina Rodriguez (former owner)/B&E Holdings & Investments, LLC. (managing member: Armando Banuelos) as of July 2, 2019, District 7]

This is an occupied and substandard multi-family residence with significant health and safety violations, including lack of heat, visible mold, infestations, electrical issues, substantial exterior dilapidation, and issues with ongoing transient activity. An initial ASET inspection was conducted on January 3, 2019. A Notice and Order was issued on January 14, 2019, for 397 violations. An administrative Citation was issued on May 30, 2019. The Property sold to a new owner on July 2, 2019. A Compliance Agreement was executed on January 17, 2020, and all violations are expected to be cleared by February 15, 2020.

RHIA

To date, there are approximately 83,000 units registered in the Rental Housing Registry, which exist at almost 30,000 properties.

Inspections of residential rental housing units have been progressing since July of 2018, and to date, the Program has worked through nearly 9,000 total inspections of multi-family locations in 53 APN books. Of those inspections, 8,087 occurred in 2019. These APN books comprise all of the registered multi-family properties south of Bullard Avenue. On February 3, 2020, inspectors will begin inspections of registered single family homes.

In addition, RHIA is coordinating with other code units to establish more seamless code enforcement. RHIA inspectors will be conducting inspections in SAT neighborhoods before the SAT inspectors begin their sweeps. This will give SAT some insight into the rental housing conditions in the assigned neighborhoods. RHIA is also referring properties in poor condition to ASET or Reactive inspectors to ensure substandard conditions are remedied timely. To date, RHIA has referred 28 cases to ASET and Reactive.

Community Compliance

The Community Compliance Division has been reorganized into seven Council District Teams, effective January 2, 2020. Every two or three District Teams have one supervisor. Each team is staffed by at least one Senior Community Revitalization Specialist (CRS), at least one CRS, and at least one Community Revitalization Technician (CRT). The Senior CRSs can handle the most complicated and sensitive cases, focusing on housing issues; but can also handle housing and public nuisance cases. CRTs focus on public nuisance cases.

When more needs arise in one district or another, the Supervisors have the discretion to move the inspectors they supervise from one district to another temporarily. The Community Compliance Manager has the discretion to move any inspector he manages to handle any urgent issue.

Currently each district has the approximate caseload below:

District 1 – 350 cases

District 2 – 204 cases

District 3 – 522 cases

District 4 – 161 cases

District 5 – 254 cases

District 6 – 46 cases

District 7 – 466 cases

Special Teams

SAT

The School Area Team provides pro-active code enforcement around schools. This Division is focused on improving impoverished neighborhoods, providing pro-active code enforcement support to reduce blight, enhance safety, equip residents to become civically engaged, and connect low-income residents to housing resources to improve their quality of life.

SAT is currently pursuing proactive enforcement in the area surrounding four schools: Fort Miller Middle School in District 7, Pyle Elementary School in District 7, Olmos Elementary School in District 5, and Wilson Elementary School in District 1. Since the program launched on January 2, 2020, the team has identified the following numbers of violations in these neighborhoods:

Fort Miller – 54 properties in violation out of 174 inspected

Pyle – 74 properties in violation out of 341 inspected

Olmos – 129 properties in violation out of 357 inspected

Wilson – 112 properties in violation out of 424 inspected

Additional parcels remain to be inspected in each of these neighborhoods.

Other Special Teams Highlights

- The demolition inspector has facilitated 14 demolitions since the last code enforcement report; four completed directly by the City and ten completed by the property owners with code enforcement oversight and motivation. Finally, four properties have been rehabilitated by the property owners after code enforcement motivation.

- The illegal dumping inspector has issued 20 administrative citations since the last code enforcement report. He issued 108 total citations for calendar year 2019.
- The vacant lots team has had many successes through abatements and property owner compliance.
- The tire team collected 3,560 waste tires since the last code enforcement report. The team also held a Tire Amnesty Event at Teague Elementary School on October 26, 2019, where 851 waste tires were collected. The next Tire Amnesty Event will be held at the Chandler Airport on February 15, 2020.

Legal Team

The legal team assists with negotiation and drafting of compliance agreements, and the drafting of warrants for inspection and/or abatement of properties. In addition, the legal team currently has 13 properties in the receivership process at various stages from initial evaluation to near completion.

Some recent receivership highlights include the following:

1. 2953 E. Balch [Constance Padilla (former owner)/Dean Pucci (receiver) as of June 13, 2019, District 3]

This is a vacant single-family home, with transients constantly breaking into the Property for the past several years. These transients had caused a fire on the Property, as well as other ongoing nuisances at the Property, and a significant increase in disturbances to the neighborhood such as petty theft. A petition for receivership was filed on March 29, 2019, and granted on June 13, 2019. The Property was recently rehabilitated, and will soon be placed for sale on the open market.

2. 3079 E. Pine [Angelina Bradley (former owner)/Delfino Escalara Flores as of April 29, 2019, District 7]

This property was unsafe to occupy and had an open code enforcement case since 2015. The property regularly required abatements by code enforcement in order to keep it secure, and there was a large accumulation of junk and rubbish throughout the interior and exterior of the property. After multiple attempts to work with the property owner, the City's petition for receivership was granted in March 2019. The receiver evaluated potential buyers who were capable of completing the rehabilitation and sold the property on April 29, 2019, to Delfino Escalara Flores. Mr. Flores timely completed the rehabilitation of the property, including finalizing all permits.

3. 2605 N. Van Ness [Deanna Priestly-Hensley (former owner)/Equity Trust Company fbo Melinda Wilkins IRA as of January 17, 2020, District 1]

This is a vacant single-family home with a decade-long extensive history of code violations, public nuisances, and disturbances that affected the surrounding neighborhood. The City had to abate the Property repeatedly to keep it secure, as all attempts to work with the property owner failed. A petition for receivership was filed on June 28, 2019, and granted on October 23, 2019. The receiver evaluated potential buyers who were capable of completing the rehabilitation and sold the property on January 17, 2020, to Equity Trust Company fbo Melinda Wilkins IRA. The receiver will be overseeing the buyer's rehabilitation over the next six months.

Attachments: Attachment A – PowerPoint Presentation
 Attachment B – ASET Weekly Status Report