



## Legislation Details (With Text)

**File #:** 18-0093      **Version:** 1      **Name:**  
**Type:** Discussion Item      **Status:** Filed  
**File created:** 1/3/2018      **In control:** City Council  
**On agenda:** 1/11/2018      **Final action:** 1/11/2018  
**Title:** Anti-Slum Enforcement Team (ASET) Quarterly Status Report and Update on Rental Housing Improvement Act  
**Sponsors:** Office of Mayor & City Manager, City Attorney's Office  
**Indexes:**  
**Code sections:**  
**Attachments:** 1. Attachment A.pdf, 2. Attachment B.pdf

Date	Ver.	Action By	Action	Result
1/11/2018	1	City Council	presented	

### REPORT TO THE CITY COUNCIL

**January 11, 2018**

**FROM:** WILMA QUAN-SCHECTER, City Manager  
Office of the City Manager  
DOUGLAS T. SLOAN, City Attorney  
City Attorney's Office

### SUBJECT

Anti-Slum Enforcement Team (ASET) Quarterly Status Report and Update on Rental Housing Improvement Act

### RECOMMENDATION

City Manager's Office and City Attorney's Office to provide a quarterly status report on the Development and Resource Management (DARM) Department's Anti-Slum Enforcement Team (ASET), and an update on the Rental Housing Improvement Act.

### EXECUTIVE SUMMARY

The Administration, City Attorney's Office (CAO), and DARM's Rental Housing Division staff are working in a coordinated effort to aggressively pursue compliance from landlords who are failing to maintain their rental properties. The City does not have resources to address and remedy all code violations, but through ASET is pursuing egregious violators with maximum fines, reimbursements, attorney fees, and other remedies such as receiverships. The mission of ASET is to increase the stock of habitable rental housing by pursuing violators to obtain code compliance. Quarterly reports

are provided to the City Council concerning the status of ASET, results obtained, and any additional resources necessary to accomplish ASET's mission. The ASET Weekly Status Report is also posted to the City's website. ASET has successfully pursued compliance of approximately 4,200 violations in over 450 units. Currently, another 3,700 violations are being pursued in 320 units as part of active ASET cases.

## BACKGROUND

ASET is dedicated to increasing the stock of affordable and habitable rental housing by pursuing and improving slum properties with substantial health and safety violations through education, fines, and/or receiverships. For clarification, on the Staff side ASET is a unit within DARM's Rental Housing Division. While ASET coordinates closely with other DARM units and Divisions, it is important to note that it is distinct from the proactive rental housing improvement program and the traditional Code Enforcement Division, which includes enforcement of the Vacant Building Ordinance (VBO).

The CAO has three lawyers, a paralegal, a legal secretary assigned to ASET, and two legal investigators whose focus is ASET. Additionally, the CAO's three law clerks assist with related Code Enforcement Division matters. DARM has a Rental Housing Division manager, an ASET supervisor, and six ASET senior community revitalization specialists (inspectors).

The City Manager's Office and City Attorney's Office committed to provide weekly status reports as well as the quarterly update provided in this report concerning the status of ASET and results obtained. ASET cases are categorized into active, potential, and completed. The ASET Weekly Status Report (Attachment A) is posted to the City's website at [www.fresno.gov/rentalhousing](http://www.fresno.gov/rentalhousing) <<http://www.fresno.gov/rentalhousing>>.

ASET receives referrals of potential properties from various points throughout the City, including tenants, neighbors, other community members, police and fire calls for service, and City employee observations; however, the sources of referrals are not necessarily tracked or compiled. The additional evaluation helps determine if the property meets the criteria and demonstrates severe threats to public health and safety. Once identified as an ASET target property, the course of action is determined and an initial inspection scheduled. ASET is currently working to evaluate several properties for further action. Properties selected for action by ASET will be listed on the ASET Weekly Status Report as applicable.

Because ASET is designed to pursue a handful of the most egregious violators, and does not operate like traditional code enforcement, it is essential that all complaints continue to be reported through the City's FresGo App, One Call Center or the Code Enforcement Division.

For additional examples of successful receiverships and compliance, please see the "results obtained" section below.

## RESULTS OBTAINED

### Examples of Active ASET Cases:

1. 4853 E. University (129 Violations) - [Ronald D. Mullins & Olga E. Mullins, District 4]

This property is a vacant and abandoned five unit apartment complex regularly broken into and used by squatters and transients. It was constantly boarded up by the City. The court granted the petition to appoint a Health and Safety Receiver on December 19, 2017.

2. 1203 W. Simpson (700 violations) - [Malcolm D. Powers & Judy Powers, District 1]

This property is a partially occupied 14 unit apartment complex. ASET has completed inspections of

all units and the exterior of this apartment complex. These inspections revealed significant substandard conditions and health and safety issues. A re-inspection is scheduled for January 3, 2018, and the City will evaluate next steps based on the re-inspection's findings.

3. 4242 E. Olive (548 violations) - [BDHOV LP & LEHOV LP, District 7]

This property is a 12 unit apartment complex, partially occupied. An ASET inspection of the exterior and interior of each unit was completed, and significant health and safety issues were identified. Additionally, the property was a source of frequent calls for police service. A Notice and Order listing 548 violations was issued on December 13, 2017. Major renovations and improvements are currently underway. An appeal of the Notice and Order is calendared for January 18, 2018.

4. 5035 - 5049 E. Lane (1,290 Violations) - [Sean Sanchez, District 5]

ASET inspected sixteen units of an apartment complex, next door to a school, with significant substandard conditions and health and safety issues, including but not limited to, broken windows, roach infestation, egress violations, and missing smoke alarms. Additionally, the apartment complex generated frequent calls for police service, including gun fire. Notice and Orders identifying more than 330 exterior violations and 960 interior violations were issued. An Extension and Settlement Agreement has been executed, with the agreement that all violations will be corrected by February 28, 2018 and the City's hard costs paid. Progress inspections are being conducted.

5. West Shaw Estates at 4954 N. Holt (750+ Violations) - [West Shaw Estates Homeowners' Associations; I & I Property Management, Inc., District 1]

In February of 2017, inspections of the condominium complex known as West Shaw Estates revealed exterior common area code violations, including illegally occupied structures, electrical theft and damage, unsafe and unpermitted balconies, broken light fixtures, and a swimming pool that required immediate action in order to mitigate potential health and safety issues. The parties entered in a settlement agreement, whereby the HOA will make the repairs to gutters, walkways and balconies. Additionally, \$20,000 was paid to the City.

6. 1367 E. San Ramon and 6540 N. Winery (collectively 70+ violations and frequent calls for police service) - [San Ramon -Brian H. Rosene, John & Leona Tosatto - District 4; Winery -Brian H. Rosene - District 6]

On July 18, 2017, City's Petition to Appoint a Health & Safety Receiver was granted by the Superior Court concerning properties at 1367 E. San Ramon and 6540 N. Winery owned by Brian Rosene and others. Mr. Rosene owns a number of properties in the Fresno area and has had a history of code violations, including a vacant home where five people were killed as a result of the home catching on fire.

Pursuant to a court order, on December 12, 2017, the San Ramon property was sold as-is to Mark and Janet Saleh (Buyers), for \$125,000. The Buyers will post a performance bond in the amount of \$108,000 to insure the Subject Property is rehabilitated, which will be returned upon rehabilitation.

The rehabilitation of the Winery property (Attachment B) has been completed by the receiver, and the property is currently listed for sale.

## **LAW CLERK ASSIGNMENTS**

Law Clerks have successfully petitioned the Fresno Superior Court to issue inspection and abatement warrants. They have also assisted various DARM enforcement staff in gaining voluntary compliance through discussions with mortgage lenders, issuing demand letters pre-litigation, drafting civil complaints, and compliance agreements. They are also handling administrative appeals of

Fresno Police Department Management of Real Property Ordinance (MORPO) citations.

Most recently, the law clerks achieved the following major successes:

1. 2414 E. Tyler - [Freddy Mendoza, District 7]

Whitney Hendricks prepared an Ex Parte Receivership Petition on a single family residence with substantial health and safety issues, such as no running water or electricity. The occupant of the property was taking power from a neighboring property through multiple extension cords, and this, combined with an accumulation of junk and rubbish on the interior and exterior, created a significant fire hazard. The court granted the Petition on December 20, 2017.

2. West Shaw Estates at 4954 N. Holt - [West Shaw Estates Homeowners' Associations; I & I Property Management, Inc., District 1]

Jeremy Matthews was instrumental in the settlement of West Shaw Estates, discussed in more detail above. He drafted the settlement agreements, communicated regularly with counsel for the HOA, and was prepared to present the City's case were it to proceed to hearing.

3. 1616-1623 E. Belmont Ave./539 N. Blackstone Ave - [Seven Star Global Investments, District 3]

Jennifer Nguyen-Bui defended the City in an appeal of a Vacant Building Ordinance citation for a commercial building. The full citation amount of \$60,000 was upheld and has been paid.

## CAO INVESTIGATORS

1. 360 N. Roosevelt (ASET) - [BDHOV LP & LEHOV LP, District 3]

Along with ASET inspector, successfully upheld a \$7,500 citation against BDHOV LP & LEHOV LOP for violation of the VBO on a property with partially occupied units. The citation was paid.

2. 419 S. Fruit (NRT)- [Symuel F. & Charletta Murray, District 3]

Along with a DARM, Neighborhood Revitalization Team (NRT) inspector, seeking voluntary compliance for a single-family home where tenants moved in prematurely and necessary repairs, such as windows, are needed.

3. 2845 E. Madison (Code)- [Jose Luis Garza Martinez & Juana R. Borja, District 7]

City effected a 4-day abatement of a single-family home's exterior, including extensive junk and rubbish, commercial vehicles, and household materials, which were a fire hazard. The City posted a Health and Safety section 17980.6 Notice; if the violations are not cured, the City is prepared to petition for a health & safety receiver.

4. 1309 & 1315 B Street (Code) - [Vincent Medina, District 3]

City is seeking voluntary compliance, where there are substandard conditions such as missing smoke and carbon monoxide alarms, improper occupancy of the enclosed back porch, and unpermitted electrical wiring at the rear patio. If the violations are not cured, the City is prepared to post a Health and Safety section 17980.6 Notice and petition for a health & safety receiver.

5. Inspection Warrant and Fourth Amendment Training presented by CAO to DARM staff.

6. 4132 E El Monte (ASET)- [Khela Jasjit Kaur & Baldev Singh, District 5]

Occupied shed built without permits, tenant bypassing PG&E meter. City is working with Rental Housing Inspector on next steps. City is also analyzing property owner's entire portfolio, given

continued calls for Code Enforcement, of the 56 properties, both vacant and occupied, 26 properties had code violations within the last three years.

7. Prospective Target Properties (ASET): Preparing initial evaluation for prospective targets, including gather information from internal departments, interviewing tenants, and analyzing recorded documents.

## **COLLECTION CASES**

The City has filed 14 civil lawsuits seeking personal judgments against property owners whose properties violate the Vacant Building Ordinance, resulting in significant citations. The City has obtained judgments in five of these cases for a total of approximately \$233,000. These judgments can be executed by the City in several different ways, for example, it can garnish the owner's wages, force a sale of the property, or attach their bank accounts. In three cases, the City has reached settlement agreements totaling approximately \$50,000; and is aggressively litigating the remainder of the cases. Several property owners have responded to the City's lawsuits by immediately bringing their properties into compliance. Proposed amendments to the VBO are being presented to Council for approval.

## **TRAINING**

ASET is committed to providing and conducting training opportunities. In October, several DARM staff attended the California Association of Code Enforcement Officers (CACEO) Basic Academy Module 1 in Visalia. In November, the CAO team led trainings on relocation benefits, health and safety receiverships, inspection warrants, and the Fourth Amendment. The seminars were held in council chambers and were well attended by staff from multiple departments with DARM.

CACEO will host academy trainings in Fresno, instructed by DARM's Code Manager, Tim Burns. The designation of Certified Code Enforcement Officer can be obtained by the successful completion of three academy modules: Basic, Intermediate, and Advanced. The Fresno CACEO Academy dates are:

- Module 1: 1/29/18 - 2/2/18
- Module 2: 2/26/18 - 3/2/18
- Module 3: 3/26/18 - 3/30/18

## **OBSERVATIONS**

During the past quarter, the now fully staffed ASET has been actively working to identify and address properties with significant health and safety violations. Over time, the team will be able to determine the most effective tools for reaching each property owner. These tools range from demand letters and compliance agreements to receiverships. With every receivership petition filed, the team has gotten stronger and more efficient, leading to swifter enforcement.

The legal investigators are proving to be very valuable, as they are available to rapidly respond to Council and Administration requests, and serve a broader role than DARM inspectors.

The law clerks are performing well, obtaining favorable results for the City, efficiently and at the same time gaining valuable hands on experience while in law school.

At this time, the needs of ASET are being met, with sufficient resources to handle the current work load. This issue may need to be revisited if the Rental Housing Improvement Program results in a high volume of cases being referred based on its proactive inspection program.

Attachments:        Attachment A - ASET Weekly Status Report (December 29, 2017)  
                             Attachment B - Photographs of Rehabilitation of Winery Property

