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REPORT TO THE CITY COUNCIL

April 27, 2017

FROM: BRUCE RUDD, City Manager
DOUGLAS T. SLOAN, City Attorney

SUBJECT
Anti-Slum Enforcement Team (ASET) Quarterly Report

RECOMMENDATION

Discuss the status of Anti Slum Enforcement Team (ASET) per requirements of the ASET Resolution (attached) approved by the Council and Mayor in November 2016.

EXECUTIVE SUMMARY

The Administration, City Attorney's Office (CAO), and DARM Code Enforcement staff is working in a coordinated effort to aggressively pursue compliance of egregious property owners. The CAO has recently hired and assigned three lawyers, a paralegal, and a legal secretary to ASET. Staff has assigned two senior inspectors previously assigned to the STOPP Team, and is in the process of hiring additional inspectors and a supervisor. Some significant results have been obtained, as set forth in the required weekly status report, the most recent copy of which is attached. Options to enhance the effectiveness of ASET and Code Enforcement generally can be discussed.

BACKGROUND

With City budget cuts taking place during the most recent recession, resources for all types of code enforcement were reduced. The CAO defunded all (formerly up to four) Code attorney positions between FY 2013 and 2016, and DARM experienced a significant reduction in Code Enforcement officers as well.

The FY 2017 Budget provided additional funding to add two lawyers, a paralegal, and a legal secretary position to pursue rental housing egregious violators effective October 1, 2016. DARM received funding to add two inspector positions, as well.

In November 2016, Council and the Mayor approved the ASET Resolution. A summary of the ASET Resolution is as follows:

1. The Resolution states the City's policy for Code Enforcement will be to prioritize pursuit (civil and/or criminal) of owners of occupied rental housing that have significant health and safety violations.
2. The Resolution provides additional resources will be dedicated to ASET, including an additional lawyer (for a total of three), plus legal staff; reassign two and add three inspectors, plus a supervisor; and create the Landlord Tenant Ombudsman (LTO) position.
3. The additional positions, except the LTO, were funded per an AAR approved by the Council and Mayor as of February 14, 2017, with funding for the balance of the fiscal year beginning April 1, 2017. The total appropriated in the AAR for ASET is \$36,400 for the CAO and \$235,800 for DARM.
4. The Resolution provides for a process and criteria to select the priority properties to pursue for significant health and safety violations. The team is directed to work with other City departments, such as Police, Fire, and building officials, to identify and pursue the worst violators, as well as consider resident complaints.
5. The Resolution requires weekly status reports to be published on the City's website, which has occurred every Friday morning; they are linked at the CAO Legal Resources page, under "Rental Housing Issues."
6. There are details on the operation of the LTO, but the position is yet to be funded.

Examples of ASET Results:

- **4538 E. Olive and 1131 N. Jackson**

After approximately more than one year of work, the ASET obtained a court ordered receivership, the first ever in Fresno County, for properties at 4538 E. Olive and 1131 N. Jackson owned by Guadalupe Fernandez, which at the time of the initial inspection, had more than 200 code violations. The process of compliance and ultimately a receivership was initiated prior to ASET being approved. The Court appointed a receiver to take control of the property, obtain funding for repairs, make the repairs, and the sell the property to fund the receiver's costs, liens, and City costs. The work is taking place now. The result will be a new owner with rental units meeting all health and safety regulations, and the former owner will likely be deprived of equity in the properties. The first receivership has taken longer and has incurred more expense than is expected in future actions. Nonetheless, the result will be full compliance and increasing the stock of habitable rental housing. Reconstruction is expected to be completed within three months.

- **530 N. Weber (formerly the Sahara Motel)**

ASET received reports of substandard conditions and lack of heat at the Hotel California at 530 N. Weber, and quickly pursued enforcement efforts in late December 2016 and January 2017. The property was ordered to be vacated, largely because of defective wiring that was a fire hazard. ASET assisted with relocation of tenants and causing the owner to make full repairs, which are now completed. Although the owner has completed all the required repairs, the City will be pursuing reimbursement of relocation costs and citation payments from the owner.

- **2748 N. Weber and 2061-2075 S. Hayston**

Actions taken by ASET resulted in 99% compliance of health and safety violations, such as missing smoke detectors, insect infestation, missing window screens, as well as faulty wiring and weather stripping. A final compliance inspection will be conducted on June 1, 2017; additionally, a settlement was reached for the administrative time and penalties for \$70,000.

- **2005 W. Shields**

Obtained full compliance of substandard housing conditions and to uphold and collect \$27,000 of citations.

- **West Shaw Estates at 4954 N. Holt.**

ASET, in conjunction with the Fresno Housing Authority, has been inspecting the condominium complex known as West Shaw Estates at 4954 N. Holt. The complex became a potential target largely due to a request by the Fresno Police Department to the number and nature of police calls for service (more than 700 in one year). Inspections are revealing some exterior and some interior substandard conditions, including illegally occupied garages, electrical theft, and a swimming pool that required immediate action in order to mitigate potential health and safety issues.

This property is unique in while it represents more than 200 units and is a condominium complex with multiple owners rather than an apartment complex with one owner. Given the size and number of units involved, the initial inspections was delayed to February 15, 2017, as staff and other resources were diverted to address issues at 530 North Weber. As such, the case has not reached a point in which any legal action can be pursued. In the interim, the calls for service have been reduced to approximately once a day, largely due to increased police proactive presence.

- **1367 E. San Ramon and 6540 N. Winery**

Another receivership enforcement action was filed in Superior Court concerning properties at 1367 E. San Ramon and 6540 N. Winery owned by Brian Rosene and others. The first hearing is scheduled for June 13, 2017. Mr. Rosene owns a number of properties in the Fresno area and have had a history of code violations, including a vacant home that five people were killed as a result of the home catching on fire.

Additional actions resulting in settlements and compliance are set forth in the weekly report.

Options and Recommendations:

ASET is new, and has yet to be fully staffed. The full effectiveness cannot be determined until all of

the inspectors have been hired and trained. Identifying and focusing on the worst violators to obtain the best return on investment for occupants of rental housing is a continuing goal. The team is refining the approach, occasionally with direction from Council.

As ASET is concerned with the most egregious violators of residential rental properties with substandard living conditions, negatively impacting vulnerable residents of the community, the members of the team, staff and CAO, need to be readily available and able to move quickly to identify, inspect, document, and prosecute violations. There is a substantial need to modify structures and procedures to be more effective. Options to accomplish this may include, but are not necessarily limited to:

1. Complete staffing and training of all funded positions.
2. Commit necessary resources to be effective at a chosen target, and not dilute those resources by reassignment to other tasks until complete.
3. Provide training opportunities to allow for greater expertise and efficiency.
4. Consider restructuring Code Enforcement with “all options on the table” for improvement.
5. Consider creating and funding additional positions that allow for greater expertise or perspective, such as the “legal investigator” position that exists in other City Attorneys’ Offices and District Attorneys’ Offices.
6. Continually reexamine changes to the FMC that may assist in prosecution, collection, and obtaining compliance.
7. Council and Mayor consider a City “Code Enforcement Policy,” which would provide for a relative allocation of Code resources to be committed to the various types of Code issues, ranging from substandard rental housing to sign violations.
8. Examine what works in other cities. City officials are going to Sacramento in May to discuss what works there with their Code and legal team, and will report back on findings.

ENVIRONMENTAL FINDINGS

Not applicable

LOCAL PREFERENCE

Not applicable

FISCAL IMPACT

The fiscal impact depends on the resources committed to Code. Code Enforcement is a core community service that will not likely be self-funded, but collection efforts can mitigate the costs. The CAO and staff are pursuing collections of fines and costs that are not otherwise recovered through voluntary payment, liens, or tax rolls, which then can be used to enhance Code resources.

Nevertheless, the additional positions allocated by Council in April of this year represent an ongoing annual expense of approximately \$1.1 million. While additional positions are probably warranted, the ability to effectively fund any kind of proactive code enforcement strategy will be subject to other competing budget priorities, including but not limited to, improvements needed to support to public safety, parks, etc.

Attachments:
ASET Resolution

ASET Status Report