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REPORT TO THE CITY COUNCIL

April 5, 2018

FROM: WILMA QUAN-SCHECTER, City Manager
Office of the City Manager

DOUGLAS T. SLOAN, City Attorney
City Attorney's Office

SUBJECT

Provide Anti-Slum Enforcement Team (ASET) Quarterly Report

RECOMMENDATION

City Manager's Office and City Attorney's Office to provide an ASET quarterly status report.

EXECUTIVE SUMMARY

The Administration, City Attorney's Office (CAO), and the Development and Resource Management's (DARM) Rental Housing Division staff are working in a coordinated effort to aggressively pursue compliance from landlords who are failing to maintain 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 4,750 violations in over 480 units. Currently, approximately 4,000 additional violations are being pursued in 340 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 enforcement, education, fines, receiverships, and more.

The CAO has two lawyers (and one position vacant), a paralegal, a legal secretary assigned to ASET, and two legal investigators whose focus is ASET. Additionally, the CAO's four 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).

ASET cases are categorized into active, pending, 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>>. Within the last quarter, the pending category was added. These properties have been identified as the next properties that will likely move to the active category. Once a property has been placed on the pending list, CAO sends a letter to the property owner informing them of the property's status on the ASET list, and advising that an inspection will be scheduled soon. This letter allows property owners additional notice and encourages them to begin work on the subject property as soon as possible, and notifies them that contact will be made by the ASET attorneys and/or inspectors prior to inspection.

ASET receives referrals of potential properties from various points throughout the City, including other divisions, 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. Once a property is referred, it is evaluated by investigators. 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. It is anticipated that the proactive rental housing inspection program will generate additional referrals to ASET.

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

RESULTS OBTAINED

Examples of Active ASET Cases:

1. 701 W. Cambridge (617 Violations) - [Rick C. Torres, District 1]

This property is a partially occupied 10 unit apartment complex with significant health and safety issues, including mold, water damage, insect infestation, and boarded windows. ASET conducted an interior and exterior inspection of each unit, and a Notice and Order for 617 violations was issued on March 12, 2018.

2. 2248-2266 W. Princeton - [Sanh X. Le and Marilyn M. Ly, Co-Trustees of the Le Family Living Trust, District 1]

This property is two apartment complexes next to each other owned by the same owners. There are a total of 22 units with a long prior code enforcement history and many police calls for service. An ASET interior and exterior inspection was conducted on March 6 and 7, 2018.

3. 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. Receiver has taken possession of the property and has filed a first report of Receiver on February 20, 2018. It is anticipated that this property will be sold on an as-is basis to an investor who will rehabilitate it under the supervision of the Receiver.

4. 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. The parties are in the process of entering into a Settlement Agreement to include major renovations, the correction of all violations, and the payment of the City's hard costs.

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

ASET inspected 16 units, 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 gunfire. Notice and Orders identifying more than 330 exterior violations and 960 interior violations, were issued. An Extension and Settlement Agreement has been executed, and a compliance inspection was conducted March 15, 2018. While some progress was made, significant violations remained.

6. 1309 and 1315 B Street (70 Violations) - [Vincent Medina, District 3]

These are two single family homes on one APN. City was seeking voluntary compliance for substandard conditions, including major structural damage, unsanitary conditions, missing smoke and carbon monoxide alarms, improper occupancy of the enclosed back porch, and unpermitted electrical wiring at the rear patio. Due to lack of compliance by owner, the City posted a Health and Safety section 17980.6 Notice for 70 violations and will be petitioning for a health and safety receiver.

7. 4132 E El Monte (65 Violations)- [Khela Jasjit Kaur & Baldev Singh, District 5]

This is a single family home with significant interior and exterior violations, including an occupied shed built without permits, tenant bypassing Pacific Gas and Electric meter, insect infestations, and damaged and deteriorated conditions throughout. A Notice and Order was issued on January 18, 2018 for 65 violations.

City is analyzing property owner's entire portfolio, given continued calls for Code Enforcement. The property owner owns 56 properties, both vacant and occupied, and 26 properties have had code violations within the last three years.

8. 4242 E. Olive (548 violations) - [BDHOV LP & LEHOV LP, District 7]

This property is a 12 unit apartment complex. 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. Pursuant to a compliance and extension agreement, the entire property was rehabilitated, and all violations from the Notice and Order have been corrected.

TRAINING

ASET is committed to providing and conducting training opportunities. The first two modules of the California Association of Code Enforcement Officers (CACEO) Academy have been conducted in Fresno, and the third is scheduled for March 26, 2018 through March 30, 2018. Holding the Academy in Fresno has allowed for a significant portion of City staff to participate and test on the materials to become certified.

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 CAO and DARM ASET teams are working together very smoothly and have developed systems for handling each property in a thorough and consistent way. Potential properties are investigated by CAO investigators, and this information is presented to DARM. Through collaboration, the CAO and DARM determine that a property is to be placed on the pending list, the CAO drafts a letter to the property owner describing ASET, its goals, and that the property will be inspected. In many cases, these letters have led to contact with the property owner or a representative, and attempts at compliance have been seen at the first inspections.

ASET's purpose and enforcement tools are starting become known to property owners. In one case, a property owner who owned multiple substandard units throughout the City sold all properties to one buyer who is in the process of rehabilitating all units. ASET continues to monitor the progress of this rehabilitation. In another case, a meeting with a property owner stating an intention to file a Petition for the Appointment of a Receiver led to that property owner hiring a reputable property management company and a plan for rehabilitation of the apartment complex. The reputation of this unit and its results are leading to greater compliance.

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 and taking on more responsibility as they gain experience.

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. The next Quarterly Report will follow up on the changes seen as the Rental Housing Improvement Program gets under way.

Attachment: Attachment A - ASET Weekly Status Report (March 16, 2018)
 Attachment B - ASET PowerPoint Presentation