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REPORT TO THE CITY COUNCIL

October 10, 2019

FROM: DOUGLAS SLOAN, City Attorney
City Attorney's Office

SUBJECT

ASET and Code Enforcement Report and Obtain Council Direction on structural changes, funding, and enforcement priorities.

RECOMMENDATION

City Attorney's Office to provide Code Enforcement Report to include ASET quarterly status report. The CAO is also seeking direction concerning any Code structural changes, funding, and enforcement priorities.

EXECUTIVE SUMMARY

Effective July 1, 2019, Code Enforcement was moved to the City Attorney's Office. Code Enforcement includes three divisions: Rental Housing, Community Compliance, and the Neighborhood Revitalization Team (NRT). 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 geographical areas, and specialty teams dedicated to reactive rental housing, vacant buildings, illegal dumping citations, tires, demolitions, mobile vending, and vacant lots. NRT is a part of the Restore Fresno program dedicated to improving designated neighborhoods. Also, as part of the FY20 Budget process, \$250,000 of funding was cut from Code Enforcement. Council may consider restoring some or all of the funding cut with carryover/surplus or

other funds.

BACKGROUND

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 of approximately 8,800 violations in over 606 units.

ASET currently has 30 open cases with properties containing more than 400 rental units. Of these active cases, 18 have signed Compliance Agreements and two are actively in the receivership process. ASET has seen success negotiating compliance with property owners who have been made aware of the City's expectations for rental housing. When ASET comes across properties with repeated property owners, they are often making repairs before the initial inspection.

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

1. 4805 E. University (337 Violations) -[Rodolfo and Carmen Rojas (former owner)/Law Office of Jones and Mayer, Receiver Dean Pucci (current owner), District 4]

This is a partially occupied, substandard 3-unit complex with an extensive history of housing code violations, including lack of water and electrical service, frequent calls for police service, and a history of squatters. ASET conducted an initial inspection on May 3, 2018, and issued a Notice and Order for the two occupied units on May 17, 2018, for 237 violations. A Notice and Order for the vacant unit was issued on June 15, 2018, for 100 violations. A first administrative citation was issued on July 31, 2018, for \$38,750. On August 14, 2018, the City posted a Health and Safety section 17980.6 Notice to Abate for 337 violations. On October 22, 2018, the City petitioned the Court to appoint a health and safety receiver, and court appointed the receiver on January 3, 2019. The Receiver rehabilitated the property, and it is currently in escrow for sale to Jesus Alvarado.

2. 4518 E. Fountain Way (1,931 Violations) -[Sorento Holdings (Salvador Hernandez, Managing Member) (former owner)/Fountain Way 57, LLC., as of May 1, 2019 (Mitch Pomeroy, Managing Member), District 4]

This is a deteriorating and occupied 57-unit apartment complex with excessive calls for police service and an extensive code history, including an active case for bed bugs, roaches, and a lack of air conditioning, heating, and natural gas. The initial ASET inspection was completed on July 17, 2018, and a Notice and Order for 1,931 violations was issued on August 2, 2018. Hard costs in the amount of \$14,947 were paid in full on August 16, 2018. A settlement agreement was executed, and the priority list re-inspection was completed on November 20, 2018. A complete re-inspection was conducted on January 9, 2019, and many violations remained. A citation in the amount of \$134,000 was issued, and the property sold to Fountain Way 57, LLC. on July 1, 2019. An agreement with the new owner was signed requiring compliance and the payment of outstanding hard costs in exchange for a waiver of a portion of the citation. Rehabilitation is in progress.

3. 4608-4612 E. Inyo (854 Violations) -[Victor H. Martinez, District 7]

This is an occupied and deteriorating 8-unit complex with significant substandard conditions, including pest infestation, junk/rubbish, mold, water leaks, and inoperable vehicles; in addition to excessive calls for police service. An initial ASET inspection was conducted on August 22, 2018. A Notice and Order for 4608 E. Inyo was issued on September 10, 2018, for 346 violations, and a Notice and Order for 4612 E. Inyo was issued on September 10, 2018, for 508 violations. A

settlement agreement was executed on November 1, 2018. The final compliance inspection occurred on June 29, 2019.

RHIA

The Rental Housing Inspection Program was created through the RHIA (FMC Chapter 10 Article 16), adopted by the City Council in February of 2017. The stated purpose of the program was to, "Identify substandard housing violations through an effective pro-active and re-active inspection program to ensure rental housing units in the city meet minimum health and safety standards required by the State of California and are safe to occupy, and provide: (1) adequate resources to effectively and timely remedy violations; and (2) to greatly reduce substandard housing in the city."

Initially a set of data was provided to the City by a private vendor, which identified locations of rental properties and contact information for the owners of those properties. On April 1, 2018, 85,677 informational brochures were mailed out to these property owners, which provided information about the City's Rental Housing Improvement Program and directed property owners to register their properties. Beginning in July 2018, Notices of Violation for failure to register residential rental properties were mailed out in six rounds, for a total of 22,131 notices issued. In February 2019, the first of three rounds of escalating citations for failure to register residential rental properties began to be mailed out, beginning with 2,744 in the first round, 1,299 in the second round and 941 in the third round, for a total of 4,984 citations. To date, there are approximately 85,000 units registered in the Rental Housing Registry, which exist at more than 30,000 properties.

Inspections of residential rental housing units have been progressing since July of 2018, and to date, the Program has worked through 6,478 total inspections of multi-family locations in 12 APN books, and are currently inspecting in an additional seven parcel books.

Community Compliance

The Community Compliance Division is the largest of the three Code Enforcement Divisions with 45 employees. Community Compliance provides traditional code enforcement services for the City, which is divided into four areas with assigned staff for each area. In addition to the four area teams, there are several specialty teams, including the Reactive Rental Housing Inspection Team, the Vacant Building Team, one Illegal Dumping Inspector, the Vacant Parcel Team (Weeds), one Demolition Inspector, one Conditional Use Permit Inspector, one Tire Team, one Cannabis Inspector, and the Clerical team.

In FY18/19, the Clerical Team processed 8,261 FresGo complaints, 300 Public Records Act requests, and the Community Compliance Division investigated 14,506 complaints. The complaints included the following specifics:

- The Vacant Building Team investigated 449 Vacant Building/Blight cases.
- The Illegal Dumping Inspector monitored 10 cameras for illegal dumping, investigated 203 complaints, and issued 121 illegal dumping citations.
- The Reactive Housing Team investigated 1,259 substandard housing complaints.
- The Cannabis Inspector investigated approximately 1,000 cannabis complaints for hazardous code violations.
- The Vacant Parcel Team inspected 3,483 vacant parcels for compliance.
- The Tire Team collected 11,998 waste tires, conducted 411 business inspections, and held 3 tire amnesty events throughout the City.

- The Mobile Vending Team conducted approximately 24 after hour shifts where the team issued approximately 120 citations and made contact with more than 300 vendors. When the Team began enforcement efforts there were 21 vendors licensed with the City. There currently are more than 150 vendors, demonstrating the positives effects of the education the team provides.
- Inspectors facilitated 439 abatements, including boarding up vacant properties, weed removal, and cleaning junk, trash and debris.
- The Demolition Inspector facilitated 11 demolitions.

NRT

The Neighborhood Revitalization Team (NRT) seeks to improve the quality of life for every resident by focusing the City's resources, and those of partner agencies, in our most deteriorated neighborhoods. The NRT is now in 15 neighborhoods city-wide, with the goal of conducting this work in a total of 40 neighborhoods. Applying this pro-active methodical approach to neighborhoods we have seen the following results: Blight has decreased 95%, Crime has decreased 8%, Fires have decreased 34%, Resident Efficacy has increased 8%, Property Values have increased 22%, and Student Achievement has increased 17% (Language Arts) and 18% (Math).

RECOMMENDATIONS

Provide Direction as set forth in the related PowerPoint Presentation.

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