

San Joaquin County Grand Jury



CITY OF STOCKTON NEIGHBORHOOD SERVICES / CODE ENFORCEMENT 2008/2009 San Joaquin County Grand Jury Case No. 07-08

SUMMARY

The 2008/2009 San Joaquin County Grand Jury finds Stockton's Department of Neighborhood Services / Code Enforcement Division (CED) is facing significant challenges in the fight against neighborhood blight caused by a poor economy and a high volume of foreclosed or abandoned properties. The Grand Jury initiated an investigation of the CED after receiving citizen complaints alleging overly aggressive enforcement and excessive fines. While there was some evidence of overly ambitious actions by a code enforcement officer (CEO), the Grand Jury found that the CED was acting in accordance with existing policies and procedures. The Grand Jury understands the difficult responsibility of providing positive interaction with residents while enforcing compliance with municipal codes in the current economic environment. Nevertheless, several findings and recommendations for improvement are included in this report.

REASON FOR INVESTIGATION

The Grand Jury investigation began after reviewing complaints from real estate agents alleging the CED was uncooperative and imposing unattainable demands on their clients. One complainant stated that CEOs were writing excessive citations on bank-owned properties, entering properties without permission, failing to alert the appropriate parties to remedy the violations, failing to record liens in a timely manner and refusing to cooperate in closing their case. A complainant implied that CEOs are volunteers who misuse their authority and enter properties without court authorization. Two complainants referred to a specific CEO as being uncooperative and unwilling to work with them. The Grand Jury investigated these complaints and the overall operations of the CED.

BACKGROUND

The City of Stockton Neighborhood Services / Code Enforcement Division (CED) operates under the authority of the Stockton Police Department. The officers have a primary responsibility to reduce neighborhood blight. This is accomplished through administrative citations, civil actions against property owners to address substandard building conditions and criminal

prosecution; also, through demolition of unsafe buildings and the assessment/recovery of abatement costs.

The CED is administered by a Deputy Chief of Police, Program Manager, Field Manager, Supervisor, 11 officers and 9 office employees. An additional 21 employees administer intradepartmental divisions that include vehicle and graffiti abatement, Volunteers Out Identifying Code Enforcement (V.O.I.C.E.), scheduled rental property inspections and vacant property issues.

The City of Stockton provides a link 'Ask Stockton' allowing citizens to ask questions and offer comments to any city department and the inquiry is assigned to the appropriate city representative (<http://user.govoutreach.com/stockton/faq/php>). Responses, including general information or answers to a specific question, are generally answered within 10 business days. During the year ending March 2009, the City received a total of 5,951 inquiries of which 1,590 were CED related. The City Manager tracks this information on a spreadsheet report that specifies the names of the user and the respondent, dates of the inquiry and response, a description of the subject and the property location, if applicable. A department representative responds via E-mail or by other methods, depending on the urgency and/or subject matter.

The CED operates primarily on a complaint driven basis and anonymous complaints are accepted. Once a complaint has been made, the subject property is inspected. If violations are found, the property is posted with a citation notice and a case file is opened. Follow-up visits are scheduled as necessary. If the property owner does not comply with applicable codes, fines and fees are assessed.

A number of functional programs used to address CED issues are:

- **Graffiti Abatement Program** to encourage the reporting of cases of graffiti and to institute action for clean-up
- **Residential Rental Inspection Program** to create a healthy, safe and crime-free environment and further enhance the quality of life for residents living in residential rental units in Stockton
- **Clean Sweep Program** to focus on areas where there is an accumulation of junk and debris present and to assist residents in the removal of blight in the area
- **V.O.I.C.E. Program** to train volunteers to patrol their neighborhoods looking for code violations
- **Abandoned Vehicle Abatement Program** to target inoperable, wrecked, dismantled, or abandoned vehicles
- **Hotel/Motel Permitting** to make Permits to Operate and Hotel/Motel Manager Permits available online

METHOD OF INVESTIGATION

The Grand Jury conducted interviews with local real estate agents and CED Management. Information was received from the City Manager's Office. Members of the Grand Jury participated in code enforcement 'ride-alongs' to gain insight into officer interaction with residents and to observe the actions of officers visiting vacant properties in Stockton. Jurors reviewed Stockton CED case files and enforcement policies employed by comparable California cities. Testimony was given and supporting documentation was reviewed.

OBSERVATIONS

The City of Stockton is currently experiencing one of the highest foreclosure rates in the nation. The number of vacant properties resulting from foreclosure and abandonment is straining local resources, causing blight and creating havens for criminal activity. The effect is the devaluation of local properties.

City leaders have demonstrated a willingness to address the challenges of neighborhood blight:

- In 2006, the City authorized the 'Community Safety Ordinance' with a focus on the abatement of chronic nuisance properties.
- On January 31, 2006, the Stockton City Council adopted Ordinance 003-06 regarding residential rental inspections, establishing a mandatory code compliance section for all rental units throughout the City of Stockton. The purpose of the four-year ordinance is to proactively identify blighted housing.
- In January 2007, the city adopted a more stringent graffiti ordinance in an effort to reduce graffiti throughout the city. The ordinance includes additional penalties and requires property owners to assist with removing and preventing graffiti on private property. Last year, the city cleaned up over 3.5 million square feet of graffiti at a cost of more than \$900,000. During that time, 261 graffiti-related arrests were made.
- In April 2008, the Stockton City Council amended the Police Department Neighborhood Services Section Budget to add three maintenance worker positions, one code enforcement supervisor and one office assistant. The Council also authorized the purchase of cargo trailers, radios, computers and other equipment to be used for increased efforts to eliminate blight and graffiti.
- In August 2008, the Stockton City Council adopted Urgency Ordinance No. 009-08CS which provides vacant property maintenance requirements, including the posting of abandoned and vacant buildings with the name and a 24-hour contact phone number of a local management company.

- In November 2008, the Stockton City Council authorized a policy to repeal burdensome assessments in order to encourage improvements to blighted properties.
- Neighborhood Services coordinates the ‘Volunteers Out Identifying Code Enforcement’ (V.O.I.C.E.) program where volunteers inspect their own neighborhoods looking for obvious code enforcement violations. When violations are identified and not corrected, the case is assigned to a CEO who will visit the property.
- The Clean Sweep program is Stockton's annual neighborhood cleanup program for residents within the city limits. It is completed once per year in 9 separate geographic areas in Stockton.
- The City of Stockton provides emergency repair assistance to senior low income property owners for correcting certain violations listed in documents issued by the CED.
- This year, the City of Stockton will begin using \$12.1 million of funds that have been allocated by the U.S. Department of Housing and Urban Development (HUD) to acquire and repair foreclosed residences and to demolish blighted structures.

The CED has an enormous responsibility in managing code enforcement issues in Stockton and the Grand Jury finds CED interactions with residents to be reasonable.

FINDINGS

1. Citizens can file a complaint with CED in person, via the internet, telephone and fax. The city website features the ‘Ask Stockton’ link and inquiries can be made there as well (<http://user.govoutreach.com/stockton/faq.php>). In November 2008, a CED employee was given the responsibility of answering questions from the public, responding to requests from real estate agents and delivering escrow payoff demands.
2. When accessing CED’s contact information through the City of Stockton website, users must click on three links. The public would be better served if the website featured a direct link on the home page.
3. Other California cities, such as Sacramento, have internet information systems that allow the public to search by category, property type, case number or address. Stockton code enforcement representatives agree that such a website feature would save time and money.
4. On numerous occasions, CED has not been timely in notifying all parties involved in property sale transactions of the pending code citations. Prior to closing escrow, the escrow agent requests a payoff demand from CED. When CED responds to this request, a code enforcement officer makes a return visit to the property. If any new violations are found, the escrow holder is notified. This has caused delays in closing escrow and subsequent post-transaction problems for new property owners.

5. Properties are often purchased with pending code citations and without a lien having been recorded. Citations remain on the property and the code enforcement process continues as if property ownership had not changed. Associated fees for the violations continue to be the responsibility of the original owner and are not assessed to the new owner. However, the new owner remains responsible for correcting the violations.
6. The Grand Jury has found that the new owner of the property mentioned in one complaint has not accepted the responsibility to remedy the violations. Reactionary complaints are often generated against CED as a result of fees continuing to accrue when property owners do not comply.
7. Stockton is one of only four U.S. cities utilizing the newly-developed Mortgage Electronic Registration System (MERS). Nationwide mortgage holders list foreclosed properties, with 2.2 million registered properties. Stockton code enforcers have access to this registration system. The system is designed to give information on foreclosed properties and to provide users with the name of a contact person.
8. The CED is now engaging in outreach efforts, including the proactive publishing and distribution of Q&A brochures to realtors and escrow agents during site specific contacts and scheduled presentations.
9. When efforts are being made for compliance, the CED will often allow the property owner an extension of time to complete the required work before assessing fines.
10. The CED initiated efforts to equip CEO vehicles with electronic equipment for portable computer access to expedite the transmission of reports to the CED office. Not all vehicles have been modified. When computer access is available, the Grand Jury found some CEOs do not use it.
11. Some California cities use Redevelopment Agency Funding (RDA) or other funding methods outside of the General Fund to finance supplemental police services for code enforcement.

RECOMMENDATIONS

1. Continue efforts to improve the level of CED outreach to residents through community meetings, improved communication and by making a sincere effort to promote cooperation and fairness in addressing code enforcement violations.
2. Expand CED outreach publications to inform buyers of the responsibility to correct existing code violations on the property.
3. Develop a multi-disciplinary Graffiti Abatement / Community Anti-Blight Task Force that would combine law enforcement, code enforcement and public works staff into one unit that could be funded with Redevelopment Agency funds.

4. Add a search feature to the existing website to allow the public to find an active code enforcement case for a specific address.
5. Post a direct link to code enforcement 'contact information' on the home page of the City of Stockton's website.
6. Improve CED service to the public by providing timely information to reduce escrow delays and post-transaction concerns for new property owners.
7. Enforce CED procedures to initiate recording of property liens as promptly as possible, so parties involved with a property sale become aware early in the course of the transaction.
8. Ensure access regulations are followed by CEOs when entering for property inspection.
9. Complete the installation of CED hardware for remote computer operations in vehicles not yet equipped.

RESPONSE REQUIRED

Pursuant to Section 933.05 of the California Penal Code:

The Stockton City Council shall report to the Presiding Judge of the San Joaquin County Superior Court, in writing and within 90 days of publication of this report, with a response as follows:

As to each finding in the report a response indicating one of the following:

- a. The respondent agrees with the finding.
- b. The respondent disagrees with the finding, with an explanation of the reasons therefore.

As to each recommendation, a response indicating one of the following:

- a. The recommendation has been implemented, with a summary of the action taken.
- b. The recommendation has not yet been implemented, but will be with a time frame for implementation.
- c. The recommendation requires further analysis, with an explanation of the scope of analysis and a time frame not to exceed six (6) months.
- d. The recommendation will not be implemented, with an explanation therefore.