



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Harry Freitas

SUBJECT: SEE BELOW

DATE: May 18, 2017

Approved

Date

5/18/17

INFORMATION

**SUBJECT: PLANNING, BUILDING AND CODE ENFORCEMENT DEPARTMENT:
TOP (APARTMENT) CODE ENFORCEMENT VIOLATORS AND PILOT
PROGRAM STATUS**

BACKGROUND

As part of the 2016-2017 Adopted Operating Budget Process, Budget Document #70 - The Dirty Dozen/Top Apartment Violators, was included in the Mayor's June Budget Message for 2016-2017 as approved by the City Council. The approved budget action added a full-time Code Enforcement Inspector through June 30, 2017 to the Code Enforcement Division in the Planning, Building and Code Enforcement Department to expand enforcement of the top twelve absentee landlords that appear responsible for a large percentage of San José's blighted, unsafe, and substandard apartment buildings. Additionally, any fines or penalties collected in 2016-2017 were to be evaluated to determine if the program could become self-supporting financially in the future.

ANALYSIS

The approved budget action, "Top Apartment Violators", added resources to the General Code program but have not been used. The new position's duties overlapped with the current structure of the Multiple Housing Occupancy Permit tiered and risk based inspection program, which, through 16 budgeted inspector positions, already incorporates targeting problematic multiple-housing landlords by inspecting their buildings more frequently compared with the previous model. The current permit program has three tiers, with the highest level of inspection for Tier III buildings consisting of a three-year inspection cycle. The tier a building falls under takes into

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consideration the severity of violations, number of violations, and number of complaints. Staff anticipates there will be some movement of buildings from Tier III to Tier II at the end of the three-year cycle, and the inspection team has made progress with some of the most problematic landlords. The fee for units that fall under Tier III is higher than the other tiers in order to recover the cost of providing more inspection services, which includes complaint response and proactive inspection services. Budget savings from the unfilled position have been factored into the General Fund 2016-2017 ending fund balance estimate used in the development of the 2017-2018 Proposed Budget.

/s/

HARRY FREITAS, DIRECTOR
Planning, Building and Code Enforcement

For questions, please contact Zoe McChesney, Administrative Officer, at (408) 535-8317.