



Memorandum

TO: NEIGHBORHOOD SERVICES
AND EDUCATION COMMITTEE

FROM: Chris Burton

**SUBJECT: CODE ENFORCEMENT
ANNUAL REPORT**

DATE: April 3, 2024

Approved

Date

4/4/24

RECOMMENDATION

Accept the Code Enforcement Division Annual Report for fiscal year 2022-2023.

BACKGROUND

This annual report will provide an overview of Code Enforcement's mission and core values, operations and service delivery, fiscal year 2022-2023 activity and highlights, current initiatives, challenges and next steps.

Mission and Core Values

Code Enforcement's mission is to "work in partnership with the people of San José to promote and maintain a safe and desirable living and working environment". Focusing on the division's three core values in its operations and service delivery to the community: safety, quality of life, and working together, Code Enforcement works to achieve its mission (see *Table 1- Code Enforcement Division Values*).

Table 1- Code Enforcement Division Core Values

| Safety | Quality of Life | Working Together |
|--|--|---|
| Respond to health and life-safety complaints within 24-72 hours | Work with property owners, residents, and other stakeholders to resolve blight violations and other quality of life issues | Communicate, collaborate & problem solve with internal and external stakeholders to achieve compliance |
| <i>Includes but is not limited to building violations, substandard housing, and vacant buildings</i> | <i>Includes but is not limited to land use, permit conditions, graffiti, solid waste, overgrown vegetation, and inoperable vehicles.</i> | <i>Includes but is not limited to outreach and education, interdepartmental coordination, community engagement.</i> |

Operations and Service Delivery

Scope of Services

The Code Enforcement Division is responsible for the investigation, inspection, and enforcement of various San José Municipal Codes on private property including residential, commercial, industrial, and undeveloped, vacant parcels. The primary municipal codes enforced by Code Enforcement include building, zoning, substandard housing, blight, solid waste, and other health, safety, and quality of life regulations. Code Enforcement does not enforce on publicly owned buildings or properties. In some limited instances, Code Enforcement may address violations in the public right of way such as news racks in disrepair, signs illegally placed in the median, or overgrown vegetation in the park strip.

Code Enforcement operations are conducted through a variety of core services, special programs, and functions. Code Enforcement's core services include:

- The Multiple Housing Program which responds to complaints and conducts proactive, routine inspections of buildings with three or more dwelling units including apartments, hotels/motels, fraternities/ sororities, and single room occupancy buildings, and;
- The General Code Program, which responds to complaints from the public regarding all other types of private property.

In addition to its two core services, Code Enforcement operates eight Special Programs which provide inspection and enforcement of various niche businesses and targeted issues within the community. The Local Enforcement Agency (LEA), a branch of the state agency Cal Recycle, which regulates 34 solid waste facilities within San Jose is also part of the Code Enforcement Division. Code Enforcement operations also include providing ongoing support to various city department efforts such as Project Hope and the enforcement of illegal dumping, mobile vendors, graffiti, and fireworks. As the City-Generated Tow Services Contract Administrator, Code Enforcement ensures contracted tow operators and city departments are performing city requested tows and tow-related functions according to the contract requirements and oversees any contract amendments or negotiations. Code Enforcement is currently supported by 70 full time employees and an adopted budget of \$13.38 million comprised of general fund, grant, and fee revenue.

The Code Enforcement Division is organized into two sections: Special Operations and Field Operations. The Special Operations section is comprised of the General Code Program, LEA, and all eight Special Programs and is staffed by one division manager, five supervisors and 28 inspectors which carry out the day-to-day operations. The Field Operations section includes the Multiple Housing Program, CDBG Program, and Support Staff team, and is staffed with one division manager, four supervisors, six support staff, and 22 inspectors. The code planner, senior analyst, and support staff team provide support to the entire division.

Core Services

Code Enforcement achieves its mission primarily through the service delivery of its two core services, the General Code and the Multiple Housing Programs. Together these programs account for nearly 70% of inspection staff and 89% of the current active caseload (or 6,013 of the currently open 6,721 cases) (*see Table 2- Code Enforcement Staffing and Funding Overview as of 3/19/24*).

General Code Program

The General Code Program is responsible for responding to complaints, conducting inspections, and enforcing municipal code violations on all residential (except Multiple Housing Program buildings), commercial, industrial, and undeveloped private property city wide. Most common violations addressed by the General Code team include building, zoning, substandard housing, blight, and solid waste. These violations can range from quality-of-life issues such as graffiti or blight to imminent life-safety concerns such as tenants sleeping in makeshift bedrooms without proper fire egress (no windows), or unpermitted garage conversions being occupied as living units with gas appliances, such as water heaters, creating a risk of carbon monoxide exposure.

The General Code Program also provides support to other city departments. Because the program is general funded, the team has flexibility in the types of cases the team can address. Thus, requests for Code Enforcement support by other departments or agencies are often absorbed by the General Code team. Some recent examples of this include enforcement of illegal dumping, mobile vendors, and fireworks year-round. The General Code Program also conducts enforcement of candidate signs during election years and conducts special enforcement efforts upon request, such as signs, blight or news rack enforcement, to assist in beautification efforts ahead of major city events (i.e. Superbowl 50). Currently, the General Code Program has redeployed resources to support new initiatives such as the Focus Area Service Team Pilot Program (FAST) to address blight in areas of the city with the highest blight complaints and is providing support in key citywide efforts such as the Clean Neighborhoods and Downtown Vibrancy Focus Areas, Vehicle Concerns SJ311 Project, and enforcement of Exterior, Elevated, Elements (E3) under state law SB721.

The program is staffed by 15 inspectors (13 General Funded, 2 Fee Funded), or 30% of total inspection staff, and is responsible for 4,076 open cases (or 271 cases per inspector), 60.6% of the division's total open active caseload.

Multiple Housing Program

The Multiple Housing Program is a fee for service program that responds to complaints from the community and conducts proactive, routine inspections and enforcement of buildings with three or more dwelling units, including apartments, hotels/motels, fraternities/sororities, and single room occupancy buildings, subject to the Residential Occupancy Permit Ordinance (ROP). The program is staffed with 17.25 Code Enforcement Inspectors or 34.4% of total inspection staff and is responsible for 26.3% of the current open active caseload (or 1,769 cases of the currently open 6,721 cases). The primary objectives of the program are to ensure safe, decent, sanitary

housing through proactive inspections, complaint investigation, and educating owners, managers, and residents on common substandard and building violations and conditions. Violations can range from minor issues such as broken floor tile or loose faucet handles to more serious issues such as faulty electrical wiring or hazardous staircases and balconies. Routine inspections follow a 3-tier service delivery model, with buildings inspected at least once every 3, 5, or 6-years, depending on their assigned tier. As of fiscal year 2022-2023, there were over 6,700 buildings and 103,000 units in the Multiple Housing Program, a growth of approximately 19,000 units in the last 10 years.

Community Development Block Grant Program

A supplement to the Multiple Housing Program is the Community Development Block Grant Program (CDBG) which performs enhanced inspection services for ROP buildings located in Project Hope areas of the city. As part of the enhanced inspection service model, twice the number of units are inspected during the proactive, routine inspection as the ROP buildings in the Multiple Housing Program service model with tier 2 buildings receiving inspections in 50% of the units (compared to 25%) and tier 3 buildings receiving inspections in 100% of the units (compared to 50%). CDBG staff also provide enhanced support to the residents, property owners and managers through outreach and education and regular participation in the interdepartmental Project Hope events.

Table 2- Code Enforcement Staffing and Funding Overview as of 3/19/24

| | | # of Inspectors | % of total # of Inspectors | % of open cases | # of open cases | Funding Source |
|-----------------|--|-----------------|----------------------------|-----------------|-----------------|----------------|
| Core Services | Multiple Housing Program | 17.25 | 34.4% | 26.3% | 1769 | Fee |
| | Community Development Block Grant (CDBG)- <i>Enhanced Multiple Housing</i> | 4.75 | 9.5% | 2.5% | 168 | Grant |
| | General Code Program | 13.0 | 26% | 60.6% | 4,076 | General Fund |
| Subtotal | | 35 | 69.9% | ~89% | 6,013 | - |
| | Solid Waste*** | 1.0 | 2% | - | - | Fee |
| | Vehicle Abatement (VA) *** | 2.0 | 4% | 0.4% | 27 | Fee |
| | Tobacco Retail License (TRL) | 1.0 | 2% | 0.6% | 41 | Fee |
| | Off-sale Alcohol (OSA) | 1.0 | 2% | 0.4% | 25 | Fee |
| | Abandoned Shopping Carts (ASC) | 1.0 | 2% | 1.6% | 110 | Fee* |
| | Massage Program | 2.0 | 4% | 1.4% | 94 | Fee |
| | Cannabis Program (Registered Businesses) | 1.0 | 2% | 0.7% | 45 | Fee* |
| | Vacant Buildings and Storefronts (VBS) | 2.0** | 4% | 2.5% | 171 | Fee* |
| | Building Code Compliance (BCC)*** | 1.0 | 2% | - | - | Fee* |
| | Signs | - | - | 0.01% | 1 | - |
| | Focus Area Service Team (FAST) | - | - | 2.9% | 194 | - |
| | Local Enforcement Agency (LEA)****- <i>State Enforcement Arm</i> | 3.0 | 6% | -- | - | Fee |
| Subtotal | | 15 | 30% | ~11% | 708 | |
| Total | | 50 | 100% | 100% | 6,721 | - |

*Supported in part by General Fund

** 1.0 FTE-Overstrength Position for FY23-24

***1.0 SW FTE and 1.0 VA FTE cases included in General Code case numbers

****Inspects and Enforces State Regulations for xxx Solid Waste Facilities within San Jose

Special Programs

In addition to Code Enforcement's core services, the division operates eight fee funded Special Programs: Tobacco Retail License, Off-sale Alcohol, Vacant Buildings and Storefronts, Abandoned Shopping Carts, Massage, Cannabis, Building Code Compliance, and the LEA. In place to regulate specific activities and businesses within the community, each program has its own performance measures, targets, fees, and requirements that must be met to ensure the programs are performing in accordance with the program objectives and adopted fees; and businesses are meeting the municipal code regulations. Except for the Building Code Compliance Program, Massage Program, and the LEA, each Special Program is overseen by a single code enforcement inspector. These inspectors conduct a minimum of one proactive compliance inspection annually, respond to complaints, and conduct enforcement as appropriate.

Outreach and Education

Outreach and education are a fundamental part of Code Enforcement's strategies to promote and foster compliance. Code Enforcement incorporates outreach and education into the administration of the various programs as well as the enforcement process. As part of our Multiple Housing Program, Code Enforcement issues a quarterly newsletter "Code Connection" which highlights new or existing codes and regulations, provides information regarding service delivery changes and improvements, shares property maintenance best practices, and includes other helpful information important to our multiple housing property owners, managers, and residents. The Community Development Block Grant Program team regularly attends interdepartmental Project Hope and other community meetings providing support to property owners, managers, and residents in our most vulnerable communities. Code Enforcement staff attends community meetings upon request at various neighborhood association meetings, community organization meetings, Council District town halls, or other city sponsored events to educate residents about common code violations, the code enforcement process, and how property/business owners and residents can report violations or take steps to ensure their properties are in compliance. The division website, which includes information on common code violations and various program details, is useful self-help tool to learn more about Code Enforcement or request service.

Code Enforcement also utilizes outreach and education in the enforcement process. In many instances, providing an opportunity to be informed of and understand the municipal code requirements prior to enforcement is sufficient to compel compliance. Thus, as a first step in responding to a complaint or violation, Code Enforcement will either issue an informational letter or warning notice describing the complaint or violation, corrective actions required, and a timeline for compliance or conduct an in-person inspection to "knock and talk" with the responsible party to inform them of the alleged complaint and, if in violation, corrective actions and a timeline that can be achieved to reach compliance. Through the duration of the case, the inspector will continue communication with both the complaining and responsible party to assist with questions and concerns, and work with them toward compliance. By providing outreach and education throughout the delivery of services, Code Enforcement helps property/business owners and residents be better informed about private property regulations and how to maintain their properties.

Inspections and Enforcement

Code Enforcement's primary objective is to achieve compliance. To meet this objective, Code Enforcement uses a combination of outreach, education, inspections, and enforcement strategies. As noted previously, staff responds to complaints based on priority and will attempt to gain voluntary compliance through outreach and education communicating directly with the responsible party. However, when outreach and education or other enforcement tool is not effective (verbal warnings, warning notices, inspection notices, etc.), the city may issue administrative citations and/or pursue administrative remedies (compliance orders) against a property owner/responsible party in accordance with the municipal code to compel compliance. Additionally, the city may abate properties when violations occurring on a property are creating an imminent danger or significant hazard to the public/property and/or when the property owner/responsible party is not adequately addressing the violations in a timely manner. Ultimately, if compliance is not reached, administrative fines and penalties per day can be assessed and/or legal action taken in coordination with the City Attorney's office or County District Attorney against the property owner/responsible party.

Ethics, Empathy, and Equity

Code Enforcement is among the few departments that actively engage with the community on a large scale, addressing diverse needs, challenges, and circumstances. Conducting inspections and ensuring compliance across a variety of properties, while providing service to a broad spectrum of customers requires extensive knowledge, exceptional customer service skills, and a strong commitment to empathy and ethical conduct. Often, Code Enforcement deals with violations involving property owners, tenants, or residents facing difficult situations—such as illness, job loss, or the death of a family member or property owner. Considering these challenges, it is essential to provide services that are fair, unbiased, and equitable. To achieve this, Code Enforcement works to ensure staff consistently identifies violations, provides appropriate corrective actions, and gives reasonable timelines for compliance. Code staff are expected to maintain neutrality recognizing that both the reporting party (complaining party) and the responsible party (property/business owner, manager, etc.) are stakeholders entitled to equal service and support. Inspectors are trained to approach each case with empathy, considering not only the facts and evidence of the case but also the unique characteristics and circumstances involved. Balancing these factors with the obligation to enforce regulations ensures a fair and equitable process. Through these efforts, Code Enforcement collaborates with customers making effort in good faith to work through challenges and ultimately achieve compliance.

ANALYSIS

Fiscal Year 2022-2023 Activity Highlights

Code Enforcement made significant progress toward achieving its annual performance measures and operational goals during fiscal year 2022-2023 including restoring service delivery to pre-pandemic levels, exceeding performance outcomes from the previous year, continuing to provide

support to other city departments and agencies, increasing health and safety of residents, and increasing staffing and resource capacity as part of the adopted 2022-2023 budget.

The reduction of Code Enforcement services during the COVID19 pandemic created a significant backlog in inspections and activity especially for the Multiple Housing and General Code Programs. Thus, in fiscal year 2021-2022, Code Enforcement set incremental goals to work through the backlog systematically and reach pre-pandemic service levels within two years. To that end, Code Enforcement made significant progress in the Multiple Housing Program completing 55% of the annual target for proactive annual ROP inspections for fiscal year 2021-2022, up from 8% the previous year, and completing 89% of the annual target in fiscal year 2022-2023. Code Enforcement also improved response times with the General Code Program responding to emergency, priority, and routine complaints within the required response time 98%, 81%, and 44% of the time respectively in fiscal year 2022-2023, up from 84%, 66% and 39% in fiscal year 2021-2022, and 80%, 38%, and 26% in fiscal year 2020-2021.

Code Enforcement exceeded previous annual performance outcomes in complaints processed, citation issuance, and most areas of customer service. In fiscal year 2022-2023, staff processed 4,469 new complaints from the public, conducted 74 hours of community outreach, assisted 907 customers via “office duty inspector” calls, and issued 594 citations. In the area of customer service, staff responded to 11,190 general customer service calls, 1,540 “code enforcement information” emails and assisted 893 walk-in customers.

Code Enforcement’s core services also surpassed numbers from the previous year, improving in nearly all performance measures. The General Code Program responded to 3,067 new complaints, including 77 emergency, 794 priority, and 2,106 routine cases, closed 2,765 cases for compliance, resolved 3,493 violations, and conducted 6,204 inspections. The Multiple Housing Program proactively inspected 1,448 buildings and 6,495 units and responded to 640 complaints, resolving 7,694 violations in total up significantly from fiscal year 2021-2022 in which 978 buildings and 4,451 units were inspected. Supplementing the Multiple Housing Program, the CDBG program conducted 421 enhanced inspections. Together these core services resolved over 11,000 violations during the fiscal year. (*See Attachment A- Fiscal Year 2022-2023 Performance Measures and Dashboard Highlights*).

Code Enforcement remained actively involved in various city initiatives and programs across several city departments and agencies. The division continued year-round firework enforcement in partnership with the Fire Department processing 1,344 complaints, 10 citations, and 252 warning notices through the July 4, 2022, holiday. The division also helped successfully launch the new SJ311 firework reporting tool to track and respond to reports more effectively. Code Enforcement continued participation in the mobile vendor working group developing strategies to address mobile vendors in the community and issued warning notices and citations for illegal dumping on behalf of Parks, Recreation and Neighborhood Services’ (PRNS) RAPID team. Additionally, Code Enforcement participated in the SJ311 Human Centered Design Vehicle Concerns Project which launched March 28, 2024. As the tow contract administrator, Code Enforcement coordinated with city departments and tow operators to ensure continuity of tow services and meet special tow service needs such as for the PRNS BeautifySJ (BSJ) Guadalupe Gardens and Columbus Park BSJ Abatement projects. Code Enforcement also initiated Request

for Proposal processes for the City Generated Tow Services Contract and a new Code Enforcement case management software system resulting in an award of contract in August 2023 and February 2024 respectively. Per an agreement in place since 1995, Code Enforcement also completed the annual Weed Abatement Program process in partnership with the County of Santa Clara's Consumer and Environmental Protection Agency to abate overgrown vegetation reducing fire risk on approximately 300 parcels in San Jose.

The division completed efforts towards improving health and safety for residents and the public through implementation of new ordinances and state laws. Code Enforcement developed an enforcement procedure and web customer resource page, called the Exterior, Elevated, Elements (E3) Program, to assist property owners in achieving compliance with the state Balcony Inspection Law, SB721 enacted to ensure safety of balconies, staircases, and other similar elements in multifamily buildings of three units or more. Code Enforcement also successfully implemented the new flavored tobacco ordinance and reestablished a Youth Decoy Program for Tobacco Retail License businesses, utilizing State Department of Justice grant funding administered by the County of Santa Clara Public Health Department, that resulted in 92 decoy operations and 20 citations.

Lastly, the division added resource capacity with the addition of new staffing including a code enforcement supervisor, code enforcement inspector, and senior analyst in the adopted budget for fiscal year 2022-2023. In alignment with recommendations included in the *Code Enforcement Management Controls: Improvements to Oversight and Coordination Needed* audit approved in September 2021, a supervisor and inspector were added to support the Massage Program. While there was a delay in filling the new supervisor and inspector positions due to the high number of division vacancies, once staffed, Code Enforcement began actively working toward resuming its role in the Massage Program, on hold since 2020, in partnership with the Police Department. The new senior analyst, added to provide support in policy work, special projects, and program monitoring and development, gave the division capacity to make key improvements in program performance measures and tracking, data gathering and analysis, and policies and procedures in a very short time. The senior analyst assisted management and staff in: revising and developing new performance measures for the massage and cannabis programs; overhauling the division performance measure dashboard; aligning division performance measures with the department's Customer Service Charter Dashboard; tracking and assisting with completing open audit recommendations; helping to manage key projects such as the new Tow Contract; and overseeing development and review of division policies and procedures as part of the new department Policies and Procedures Hub (P2Hub).

Current Initiatives

In addition to working toward our annual performance measures and goals, Code Enforcement continues to develop new initiatives to further our mission and improve upon fiscal responsibility, service delivery, operations, performance measure tracking, and customer service across all core services and programs. Current initiatives in progress for fiscal year 2023-2024 include ongoing efforts to ensure proper alignment of budget and resources through reconciliation and reporting, temporary staffing to reduce case backlog, implementation of the

Focus Area Service Team pilot program, development of an Enhanced Vacant Building and Storefronts program, and procurement of a new Code Enforcement Case Management system.

Fiscal Responsibility

With leadership and support from the department Administrative Officer and team, the Code Enforcement Division worked diligently over the past three years to reconcile the Code Enforcement budget to ensure proper personnel allocation and precise funding. Through the development of a cost allocation plan, base budget adjustments, and creation of a chart of accounts, the division established a mechanism for greater budget oversight, review, and control allowing managers to strategically plan and make informed management decisions and serving as a template for the other PBCE divisions. Code Enforcement has continued this effort in partnership with the administrative team through fiscal year 2023-2024 and plans to complete time task analyses and other efforts in fiscal year 2024-2025 to further reconcile budget, fees, and charges ensuring fiscal responsibility now and into the future.

Temporary Staffing

To reduce the case backlog and offset the reallocation of resources from the General Code Program to the Focus Area Service Team pilot program and the Enhanced Vacant Building Storefronts Program, Code Enforcement onboarded a temporary employee tasked with addressing the backlog, prioritizing the oldest cases first, while also providing General Code program support. Since onboarding in January 2024, the inspector has closed approximately 10-15 case per month and is overseeing 91 cases. Staff intends to continue to employ temporary staffing to assist with reducing case backlog as budget allows.

Enhanced Vacant Buildings

The adopted budget for fiscal year 2023-2024 included one-time 170k in funding for an overstrength position to support the Vacant Building and Storefronts program to perform enhanced enforcement efforts for chronically vacant buildings and storefronts with a special focus on the downtown. As of October 2023, staff filled the overstrength position and begin work on this effort. As an initial step, staff conducted a field survey of the Downtown Mandatory Registration Area to identify vacant buildings and storefronts meeting the criteria for mandatory registration or monthly monitoring. Staff has created code enforcement cases for each of the properties not previously identified and is in the process of issuing “Notices to Register” to the property owners of those vacant buildings and storefronts including a fee for either quarterly or monthly monitoring as appropriate. Development of criteria, enhanced enforcement process, and performance measures are also underway for the Enhanced Vacant Building and Storefronts Program, with full implementation expected to begin in April 2024. Initial goals of the program include actively enforcing upon the top 10 most chronically vacant buildings or storefronts identified in the city under the enhanced program by fiscal year end.

Focus Area Service Team (FAST) Pilot Program

The recent improvement in current staffing levels has allowed staff to think more strategically about how we are delivering our core services and explore opportunities to respond more efficiently and effectively to Code Enforcement service requests citywide. To that end, staff developed and implemented the Focus Area Service Team (FAST) Pilot Program, launched in November 2023, to provide proactive code enforcement inspections and expedited enforcement efforts focusing on the five most common blight violations in the six areas of the city with the highest rate of blight complaints.

As a shift from the current model of relying solely on community-reported violations to a more proactive approach, potentially expediting the resolution process, this pilot has provided a unique opportunity for evaluation and innovation. Not only has it allowed staff to test and analyze the effectiveness of a new proactive service delivery model, it has also provided insights into the effectiveness of various forms of outreach and education, community engagement, the enforcement process, opportunities for more interdepartmental collaboration, existing municipal codes, and fines. For example, new strategies for targeted outreach and education, such as paid social media ads, educational online videos, interactive online map, zoom informational meetings staffed with interpreters, and neighborhood canvassing in partnership with PRNS, incorporated into the pilot work plan are delivering good results.

Pilot performance measures such as number of cases created vs. resolved, rate of violation types per focus area, compliance rates, and staff resources are just some of the data already providing key insights. For example, preliminary data for focus areas 1 and 2 show that violations were reduced by 39% from the initial dashboard survey assessment to the first compliance inspection and reduced another 53% after the first citation. Through the duration of the 6-month pilot, Code Enforcement is expected to service 13,643 parcels. Staff will continue the pilot through May/June 2024 and will evaluate and analyze outcomes culminating in a report to the Neighborhood Services and Education Committee in the new fiscal year.

New Code Enforcement Case Management System

In January 2024 City Council approved the award of contract to vendor Infinite Solutions to replace Code Enforcement's case management system. Implemented in 1999 as an on-premises, commercial off the shelf software, the current system is now obsolete. As a modern software system, staff anticipates significant improvements in document creation and word processing, data analytics and reporting, case tracking and monitoring, as well as new features such as program dashboards, customer facing portal, and full remote capabilities in the field. Staff expects the new software system to have a lasting, measurable impact on service delivery and day to day operations streamlining workflows and achieving greater efficiency. Staff is currently finalizing the contract agreement with the vendor and is conducting preliminary requirement gathering.

Challenges and Next Steps

Despite the progress made and improvements achieved in fiscal year 2022-2023, Code Enforcement continued to face significant challenges in staffing and organizational structure, budget and funding, case backlog, and overall demand on services and resources. The Mayor's March Budget Message for Fiscal Year 2024-2025, as approved by the City Council, acknowledged these challenges and provided the following direction:

The City currently lacks the capacity to address both the code enforcement backlog and incoming cases, and simply adding more staff might not be the answer. Instead, the City should seek a re-engineering of the code enforcement process and organizational structure to allow for a more rapid and effective resolution of code enforcement issues throughout San José. The City Manager is directed to allocate the one-time funding necessary to complete this operational assessment. Through these efforts, we can efficiently close cases, reduce the backlog and ensure more responsive delivery of services.

Based on this direction, and pending approval of one-time funding in the 2024-2025 Operating Budget, staff will commence with the operational assessment to identify strategies to improve service. Through this assessment, staff will analyze the following challenges, in addition to any other issues identified as part of this effort.

1. Staffing and Organizational Structure

Entering fiscal year 2022-2023, the division faced a 24% overall vacancy rate, with an 18% vacancy in the code enforcement inspector classification. Through the fiscal year, the division worked diligently to fill vacancies running critical recruitment for the code enforcement inspector and code enforcement supervisor classifications. These efforts resulted in the hiring and onboarding of 16 code enforcement inspectors and two code enforcement supervisors during the fiscal year, reducing the overall vacancy rate to 10% and code enforcement inspector vacancy rate to 6% by year end. The addition of new staff allowed the division to rebalance staff workloads and work groups reducing supervisor span of control.

Despite this significant accomplishment, the organizational structure continues to be challenged in supporting desired service delivery. Most supervisors continue to oversee six to eight team members and multiple programs making program management, staff development, quality control, and oversight challenging. Furthermore, management staff has a wide scope of responsibility, with each division manager overseeing multiple programs, four to five supervisors, and 28 or more staff leaving limited capacity to carry out special projects, conduct policy work, implement council direction, or other work outside the scope of core services. At the same time, most of the inspection staff and several of the supervisory staff have less than two years of experience in their current position impacting responsiveness, timeliness, productivity, and overall quality of service delivery as staff is continuing to develop their experience, expertise, knowledge, understanding, and ability to execute their duties efficiently and effectively. However, as staff continues to build upon their knowledge, skills and experience over time, overall execution of operations and service delivery is expected to improve. (See Attachment B-

Current Code Enforcement Organizational Chart)

2. Budget and Funding

The division's budget, comprised of a combination of largely fee revenue, general fund, and grants, presents operational challenges. Of the approximately \$13 million adopted budget, the majority is fee revenue. In fiscal year 2022-2023, the city collected approximately \$6.3 million in Multiple Housing ROP fees, \$1.7 million in solid waste fees, and \$1.0 million in various special programs fees for a total of approximately \$9 million in support of the respective fee programs. The division also received \$1.2 million dollars in CDBG funds with the remaining \$2.8 million funded by general fund or other fees.

While the fee-for-service model ensures service delivery to specific needs in the community, it also create constraints as community needs evolve and the overall service delivery expectations of the division expand. According to state law, resources funded by fees are strictly limited to activities directly related to the specific fee. For example, code enforcement inspectors funded by fees (such as the Multiple Housing ROP fee or Tobacco Retail License fee) are constrained to conducting inspections and enforcement solely for properties, businesses, activity, or matters aligned with the funding source. With approximately 74% of inspectors funded through fees, this places significant pressure on limited general-fund resources to meet service delivery expectations for all non-fee-funded code enforcement matters.

3. Code Enforcement Case Backlog

One key indicator of Code Enforcement's performance is the ratio of open to closed cases. Ideally, the division would close more cases than are open each month, resulting in a cumulative reduction of overall caseload year over year. However, over the past five years, the General Code Program caseload has increased significantly as open cases outpace case closure. From fiscal year 2018-2019 to the present, the General Code Program case backlog increased from 2,846 to 4,018 cases, an increase of 1,172 cases or 41.2%. This can be attributed to several factors: suspension of services during COVID19 pandemic, persistent staff vacancies, high workloads, and imbalance of service demand to resources.

Within the General Code Program, the backlog of code enforcement cases has led to very high workloads resulting in an average caseload per inspector of 270 cases per budgeted inspector (or 324 cases per actual assigned program inspectors) over 2 times the target case load of 120. Once a caseload exceeds 120 cases, the work becomes difficult to manage as the number of tasks compound.

Another significant factor is the large volume of building code violation cases. Currently building code violation cases account for 49% of all active General Code Program cases and 32% of the overall backlog. This is largely due to persistent staff vacancies in the program but also the cost and complexity involved in resolving building code violations.

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Often customers are inexperienced with the city permit process and/or lack the expertise and/or resources to prepare plans, complete the application, and pay fees to obtain the required permits to address the violation(s). As a critical factor in reducing the backlog, Code Enforcement is evaluating the Building Code Compliance Program to determine opportunities to streamline the program, provide outreach and education, improve coordination with the Building Division, and better support customers through the permit process.

COORDINATION

This memorandum has been coordinated with the City Attorney's Office and City Manager's Budget Office.

/s/

CHRIS BURTON

Director, Planning, Building, and Code
Enforcement

The principal author of this memorandum is Rachel Roberts, Deputy Director, Code Enforcement Division. For questions, please contact rachel.roberts@sanjoseca.gov .

ATTACHMENT A - Fiscal Year 2022-2023 Performance Measures and Dashboard Highlights

| | FY22-23 | FY21-22** |
|---|----------------------|----------------------|
| Total number of New Code Complaints | 4,469 | 3,615 |
| | | |
| General Code Program (Core Service) | | |
| Number of cases opened (new) | 3,067 | 2,882 |
| Number of cases closed | 2,765 | 2,644 |
| Emergency Case Response within 24 hours | 98% (77 cases) | 84% (48 cases) |
| Priority Case Response within 72 hours (3 business days) | 81% (794 cases) | 66% (706 cases) |
| Routine Case Response within 15 days) | 44% (2,106 cases) | 39% (1,599 cases) |
| % of cases resolved within processing time targets, based on case type | 57% | 54% |
| Number of violations resolved | 3,493 | 3,124 |
| Number of active cases (open cases) | 3,875 | 3,716 |
| % increase in case backlog | +3.9 | - |
| Multiple Housing (Core Service) | | |
| Total number buildings inspected | 1,448 | 978 |
| Total number of units inspected | 6,495 | 4,451 |
| % of annual target completed | 89% | 55% |
| Number of violations resolved | 7,694 | - |
| Number of complaints | 640 | 442 |
| CDBG (Enhanced Multiple Housing) | | |
| Number of units with enhanced inspections | 421 | 401 |
| Vacant Buildings and Storefronts | | |
| Number of new cases | 71 | 49 |
| Number of closed cases | 44 | 82 |
| Number of citations issued | 62 | 46 |
| Average number of buildings/storefronts in Monitoring Program per month | 44 | 73 |
| Tobacco Retail License Program | | |
| Number of businesses | 615 | 615 |
| Number of proactive annual inspections | 457 | 545 |
| Total number of inspections | 513 | 549 |
| Number of locations ceasing tobacco sales | 28 | 38 |
| Number of citations issued | 33 | 0 |
| % of annual proactive inspections completed on schedule | 78% | 89% |
| Off-sale Alcohol* | | |
| Number of businesses | 425 | 425 |
| Number of proactive annual inspections | 348 | 118 |
| Total number of inspections | 364 | 120 |
| Number of citations | 0 | 0 |

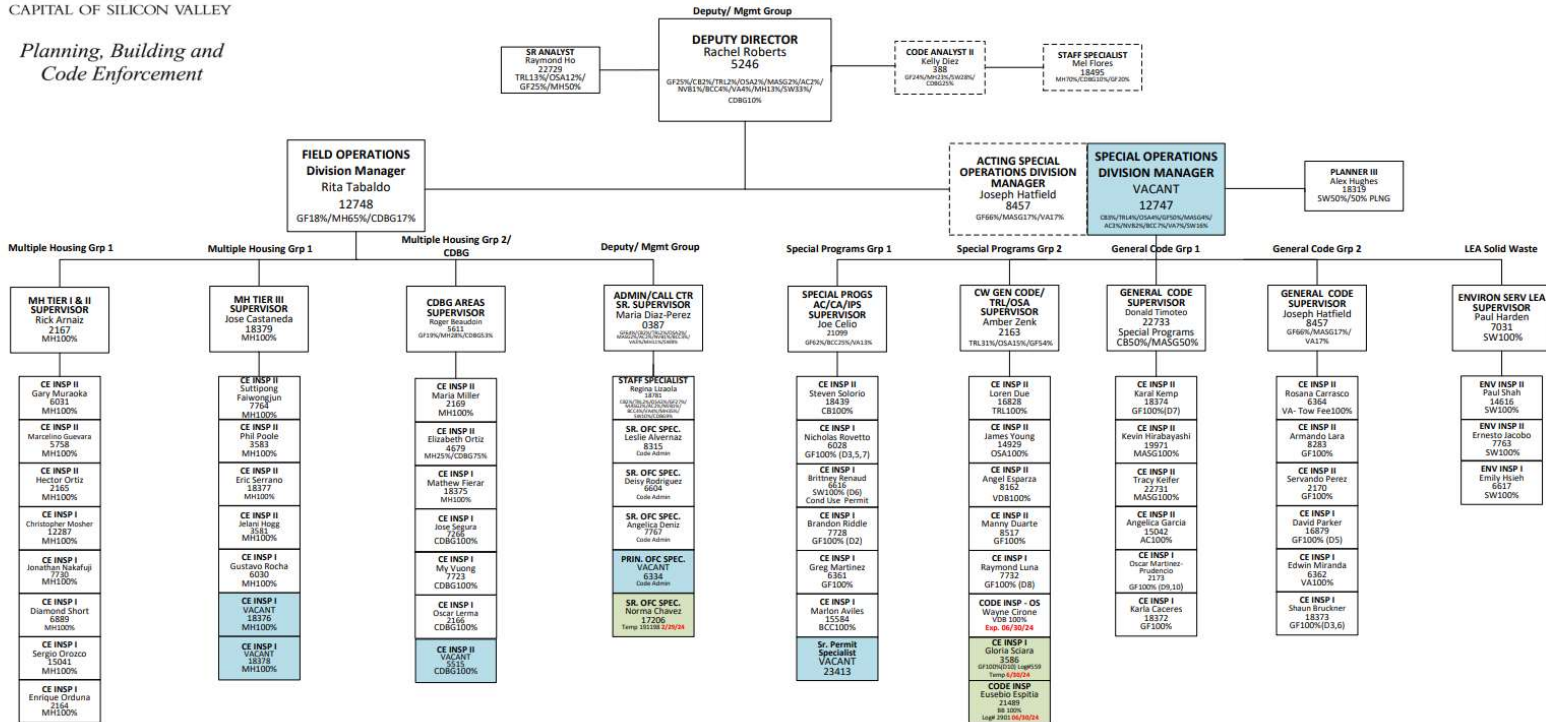
| | | |
|---|--------|--------|
| % of annual proactive inspections completed on schedule | 82% | 28% |
| Abandoned Shopping Cart Program | | |
| Number of businesses | 134 | 151 |
| Number of proactive annual inspections | 153 | 127 |
| Total number of inspections | 249 | 194 |
| Number of citations | 108 | 67 |
| % of annual proactive inspections completed on schedule | 114% | 84% |
| Number of carts removed (PRNS) | 1,011 | 931 |
| Number of carts secured for pick up (Code Enforcement) | 367 | 276 |
| Number of businesses removed from program | 5 | - |
| Support Staff | | |
| # of Incoming Customer calls | 11,190 | 11,964 |
| # of letters issued | 2,327 | 2,001 |
| # of citations processed | 594 | 439 |
| Processed Complaints | 4,469 | 3,615 |
| Walk in customers serviced | 893 | - |
| Code Enforcement Information Emails | 1,540 | - |
| Code Complaint Emails | 3,019 | - |
| Office Duty Inspector Calls | 907 | - |
| Other stats | | |
| % of cases resolved through voluntary compliance, based on complexity of case types | 97% | 97% |
| Staff Outreach Hours | 74 | 71.50 |
| PRA Requests (completed by PRA Coordinator) | 317 | 347 |
| Firework online complaints processed | 1,344 | 1,769 |
| Firework Citations Issued | 10 | 10 |
| Firework Warning Notices Issued | 252 | 378 |

ATTACHMENT B- Current Code Enforcement Organizational Chart



Planning, Building and
Code Enforcement

CURRENT
CODE ENFORCEMENT DIVISION



| FUND | DESCRIPTION |
|------|-------------------------------------|
| GF | General Fund |
| MH | Multiple Housing |
| SW | Solid Waste |
| CDBG | Community Development Block Program |
| OSA | Off-Sale Alcohol |
| TRL | Tobacco Retail License |
| LEA | Local Enforcement Agency |
| VA | Vehicle Abatement |
| MASG | Massage Parlor |
| CB | Cannabis |
| AC | Abandoned Cart |
| BCC | Building Code Compliance |
| BB | Blight Busters Program |
| NVB | Neglected/Vacant Building |

Code Admin Spill: GF36N/CB2N/TRL2N/OSA2N/MASG2N/
AC2N/NV81N/BCC4N/VA4N/MH33N/SW10N

Updated January 24, 2024
City Hall, 4th Floor Tower
FY 23-24 | FTE 70 Vacancy 7