



Memorandum

TO: NEIGHBORHOOD SERVICES AND EDUCATION COMMITTEE **FROM:** Chris Burton

SUBJECT: Code Enforcement Division Annual Report **DATE:** March 23, 2026

Approved

Date:

4/2/2026

RECOMMENDATION

Accept the Code Enforcement Division Annual Report including an overview of Fiscal Year 2024-2025 performance, activity, and workload highlights, Code Enforcement Transformation Workplan implementation progress, and status updates of other City Council-directed key initiatives.

BACKGROUND

The Code Enforcement Division (“Division”) is responsible for the consistent delivery of code enforcement services to protect public health, safety, and quality of life. This core purpose guides all Division work, including both day-to-day operations and broader organizational improvement efforts.

In recent years, the Division has experienced sustained resource constraints alongside expanding responsibilities, resulting in increased caseloads, service delays, and rising community expectations. At the same time, limitations in legacy systems and case management tools have made it increasingly difficult to efficiently manage workload and deliver timely, consistent service. Together, these conditions have highlighted the need for a more strategic, data-informed, and sustainable approach to code enforcement operations.

Over the past 18 months, the Division focused on establishing a foundation for operational improvement and long-term transformation. In January 2025, the Division presented a Code Enforcement Operations Study Session to City Council, introducing an initial framework to streamline processes, prioritize high-impact services, and identify opportunities for investment related to staffing, technology, and partnerships. Building on this effort, the City contracted with Guidehouse Consulting to conduct an Operational Assessment, which was presented to City Council in May 2025. The assessment identified three key themes for transformation: 1) Develop and Optimize Workforce; 2)

Improve Operational and Program Performance; and 3) Increase Customer Service and Communications.

Staff developed the Code Transformation Work Plan (Work Plan) to implement the Operational Assessment's three themes and recommendations over a two-year period beginning in July 2025. The Work Plan was later expanded to include a fourth theme, Organizational Readiness and Leadership, to support change management and strengthen communication and information sharing with staff and key stakeholders, including the City Manager's Office and City Council.

To operationalize the Work Plan, the Division implemented a Scrum-based project management structure incorporating quarterly Objectives and Key Results (OKRs) and oversight by an Executive Sponsor Committee. To ensure coordinated implementation and impact, the OKRs were designed to:

- 1) Optimize available resources;
- 2) Maximize outcomes across Division priorities;
- 3) Align with service delivery goals; and
- 4) Incorporate City Council-directed initiatives

While advancing these transformation efforts, the Division continued to deliver core Code Enforcement services as its primary function and advance a significant volume of ongoing work, including enforcement of the Elevated Exterior Elements (E3) state law, implementation of City Audit Recommendations, support to other City Departments, and completion of City Council-directed key initiatives such as the Abandoned Shopping Cart Pilot Program.

This annual report provides an overview of the Division's performance, activity, and workload highlights through Fiscal Year 2024–2025 (FY24-25), Code Enforcement Transformation Workplan implementation accomplishments, and updates on other City Council-directed key initiatives.

ANALYSIS

Fiscal Year 2024-2025 Program Performance, Workload, and Activity Highlights

During the past fiscal year, staff made meaningful progress in meeting service delivery goals, prioritizing enforcement on problem properties, streamlining the enforcement process, managing workload, and improving staffing and resources.

Core Service Delivery and Program Performance

The Division continued to provide Code Enforcement services in the areas of General Code, Multiple Housing, Local Enforcement Agency, and Special Programs to ensure

health, safety, and quality of life for the community. Staff also provided support to other Divisions and Departments including Parks Recreation and Neighborhood Services Department (PRNS), Fire Department, Police Department, and the Planning Division. Key operational achievements for FY24-25 included:

- Meeting or exceeding initial inspection response targets for emergency, priority, and routine cases;
- Providing service for over 7,800 new cases across all programs;
- Resolving over 7,300 cases across all programs;
- Completing Multiple Housing Residential Occupancy Permit inspections for over 1,700 buildings and 8,200 units; and
- Conducting more than 1,000 required annual inspections for Special Program businesses.

In addition to core services, staff completed 43 hours of community outreach and advanced several key initiatives, including enforcement of the Elevated Exterior Elements (E3) state law requiring balcony and staircase inspections for multiple housing and condominium properties, implementation of four City Audit Recommendations, and advancement of Cleaning Up Our Neighborhoods Focus Area goals.

A summary of the division’s key performance metrics and activity highlights for FY24-25 is provided in the table below.

Table A: Fiscal Year 2024-2025 Performance, Activity, and Workload Highlights

	FY 24-25 Actual	FY 24-25 Target
All Programs		
# of Cases Opened / Closed	7,874 / 7,359	opened < closed
Open Active Caseload at Year End	7,305	---
Total Citations Issued	727	---
Appeals Hearing Board		
Summary Abatement	20	---
Proposed Abatement	3	---
Administrative Remedy (Fines and Penalties)	14	---
Weed Abatement (Annual Lien)	1	---
Registration Appeal- Vacant Buildings/Storefronts Monitoring Program	5	---
General Code (Core Service)		
Total # of Cases Opened / Closed	3,341 / 3,292	opened < closed
# of Blight Cases Opened / Closed	1,516 / 1,574	opened < closed
# of Building Cases Opened / Closed	670 / 534	opened < closed
# Violations Closed	4,018	---
Cases Resolved within Case Closure Standard as a %	61%	65%
% of Case Closed via Voluntary Compliance	97%	---
Initial Response- Emergency (within 24 hrs or immediately)	99%	100%
Initial Response- Priority (within 3 business days)	79%	75%
Initial Response- Routine (within 15 calendar days)	70%	60%
Open Active Caseload at Year End	4,301	4,125
Multiple Housing (Core Service)		
Total Buildings Inspected	1,720	1,680
Total Units Inspected	8,245	8,280

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# of Violations Closed	8,389	7,200
Community Development Block Grant Multiple Housing Unit Inspections (Tier 2, Tier 3, 100% of units)	795	---
Special Programs		
Local Enforcement Agency Required Monthly/Quarterly Inspections	100% (304)	100% (304)
Tobacco Retail License Required Annual Inspections	74% (468)	100% (579)
Off Sale Alcohol Permit Required Annual Inspections	99% (439)	100% (442)
Abandoned Shopping Cart Required Annual Inspections	102% (125)	100% (123)
Massage Program Business Required Inspections	100% (51)	100% (51)
Vacant Building and Storefronts Cases Opened/Closed	155 / 92	---
Support Staff- Customer Service		
# of Code Complaints Received	6,040	---
# of Code Complaints Emails Processed	2,628	---
Inbound Division Calls Received	9,692	---
Weekly Walk-Ins	1,653	---
Code Information Emails Processed	2,628	---
Outreach		
Community Meetings	29 hours	---
Community Events	13.5 hours	---

Support to other City Divisions and Departments

Code Enforcement continued to provide critical support to other City Divisions and Departments.

Staff partnered for the 10th consecutive year with Fire and Police Departments as part of the fireworks enforcement team, reviewing year-round reports, issuing warning notices and citations, and hosting a webinar for the All-Neighborhoods Leadership Group and community members on reporting illegal fireworks through SJ311. The division also supported multi-department mobile vendor enforcement efforts at SAP Center and Convention Center events helping to reduce unpermitted vending activity through coordinated enforcement and citation issuance. In Fiscal Year 2025-2026 (FY 25-26), Code Enforcement continued to provide mobile vendor enforcement support to the Police Department issuing citations on their behalf. Since March 2026, staff has processed 45 referrals for citation from the Police Department. In partnership with the Police Department, Code Enforcement implemented the Massage Program Work Plan, resulting in the completion of three audit recommendations, and an interdepartmental Memorandum of Understanding (MOU) which clarified roles, responsibilities and procedures. Once the MOU was in place, the Massage Program, previously on pause, was fully relaunched with Code Enforcement resuming annual and new permit application inspections in support of the Police Department.

The Division also continued to provide support to PRNS reviewing illegal dumping reports for potential warning notices and citations under the City's "three E's" service model. In collaboration with PRNS, improvements were implemented to the illegal dumping reporting process that increased intradepartmental efficiency and citation issuance through FY 25-26. As of the end of the FY 25-26 third quarter, staff had

received 278 illegal dumping referrals for review and enforcement. Staff also continued issuing citations for graffiti on private property referred by PRNS.

Finally, staff coordinated with the Planning Division to launch an interdepartmental process for quarterly review and enforcement of Tree Permit mitigation conditions, addressing properties with outstanding tree mitigation requirements.

Focused and Streamlined Enforcement

Downtown Enhanced Vacant Building and Storefronts Program

With the continuation of one-time funding for FY 24-25 to support blight and vacant building enforcement in the downtown, staff continued the Enhanced Vacant Building and Storefront Program (VBS), focusing on enforcement of the most blighted and chronically vacant properties. Staff developed and implemented the Operationalizing Downtown Strategy to advance Council priorities of fostering downtown vitality and property owner accountability, including establishing the Downtown Enhanced VBS Working Group in November 2024 to coordinate interdepartmental efforts and prevent, address, and resolve impacts of chronically vacant buildings in the downtown.

The Division continued to apply the enhanced enforcement approach accelerating enforcement on high-risk properties that had impacted the community for many years including the former Lawrence Hotel, Greyhound Station, and Bo Town Restaurant. These efforts resulted in more ongoing compliance, increased use of administrative remedy fines and penalties, and greater utilization of legal enforcement tools such as including public nuisance lawsuits, receiverships, and collections cases. The following is a snapshot of performance metrics for the Enhanced Vacant Building and Storefronts Program:

VBS Program Performance Metrics Fiscal Year 2024-2025	
New Vacant Building and Storefront Cases	44
Proactive Blight Cases	34
Vacant Properties Monitored Monthly or Quarterly (monthly average)	58
Inspections	700
Enhanced Compliance Orders Issued	14
Summary Abatements	5
Administrative Remedy to assess fines/penalties	3
Legal Action- Receiverships, Public Nuisance Lawsuit, etc.	2
Citations issued	48
Active Cases at Year End	53

Enforcement Process Streamlining

Code Enforcement expanded efforts to prioritize problem properties, streamline enforcement processes, and accelerate case resolution across additional areas of the City. Staff evaluated other properties with similar chronic conditions severely impacting neighborhoods and focused efforts to bring those properties to the Appeals Hearing

Board (AHB) or refer to the City Attorney’s Office for legal enforcement action and resolution. The Division also implemented an Appeals Hearing Board Horizon Report along with biweekly meetings to identify and prioritize noncompliant cases ready for the Appeals Hearing Board, establish target hearing timelines, and monitor the workflow ensuring cases remain on track and are not delayed.

As a result of these improvements, staff increased the number of cases brought to the Appeals Hearing Board by 258% going from a total of 12 items in Fiscal Year 2023-2024 to 43 in Fiscal Year 2024-2025 (see Table B below).

Table B: Fiscal Year 2024-2025 Appeals Hearing Board Actions

Appeals Hearing Board Action	Fiscal Year	
	2023-2024	2024-2025
Summary Abatement	6	20
Proposed Abatement	3	3
Administrative Remedy (Fines and Penalties)	2	14
Weed Abatement (annual lien)	1	1
Registration Appeal- Vacant Buildings and Storefronts Monitoring Program	0	5
Totals:	12	43

New Vacant Lot Ordinance

The Division further expanded focused enforcement efforts to address problem properties through City Council adoption of a new vacant lot ordinance in June 2025. The ordinance (SJMC Chapter 17.39, Maintenance of Vacant Lots) established maintenance standards for vacant lots, required property owners to register their properties in a vacant lot registry, and strengthened Code Enforcement’s ability to proactively monitor, enforce, and pursue action against owners who failed to maintain their properties. Unfortunately, due to capacity constraints and competing priorities, development of a formal vacant lot monitoring program including creation of cost recover monitoring fees has been delayed. However, staff is enforcing the new ordinance where applicable with good results.

Improved Case Management

New Case Management Tools

As caseloads increased and pressure grew to expedite service delivery and case resolution, staff identified the need for new and improved tools for supervisors and inspectors to manage daily workloads. The current case management system, CES, provides little to no tools for management of cases and daily tasks. Staff must manually review each case to determine the status or last action taken in a case in order to determine the appropriate next step to move the case forward. Similarly, the system had limited reporting capabilities that did not give staff insights into overall workload. As caseloads grew over the past five years, these factors made case management increasingly inefficient and ineffective.

To address limitations in the existing case management system, staff explored ways to leverage available data and convert it into meaningful information to improve case management and oversight. As a result, staff developed two new reporting tools that consolidate multiple data sources into actionable insights: the Pipeline Report and the Last Action Report.

- The Pipeline Report categorizes cases by stage in the enforcement process and provides a dashboard view of case volume at each stage, allowing staff to quickly understand where cases are in the process at an inspector or program level, and assess workload distribution across inspectors and teams.
- The Last Action Report identifies the most recent activity on each case, allowing staff to quickly understand prior actions and determine next steps without reviewing the full case history.

While these reports have significantly improved oversight and case management, they are currently labor-intensive to produce, requiring approximately two weeks to create reports for each supervisor, limiting scalability across the Division. Despite these constraints, the reports represent an important step toward more data-informed decision-making and will help inform future system improvements, including development efforts under the CodeX project.

General Code Workload Rebalancing

To address uneven and often unmanageable workloads among General Code Inspectors, staff implemented a Workload Rebalancing Project in partnership with the Public Works Geographic Information Systems (PW GIS) team to redistribute assignments more equitably based on both current and projected case volumes for defined geographic areas.

In collaboration with the PW GIS team, staff mapped existing workloads geographically based on inspector assigned service areas. Staff also analyzed new case trends by census tract to estimate future workload demand. Using this analysis, inspector areas were adjusted to better balance both current and anticipated caseloads. As a result, workloads were stabilized from a wide range of approximately 120 to 450 cases per inspector to a more consistent average of 200-250 cases. Having just been implemented in October 2025, staff will evaluate the Workload Rebalancing Project in June 2026 to understand its effectiveness in fostering manageable workloads and promoting workload equity and overall operational efficiency.

Ongoing Active Caseload Reduction

Code Enforcement continued efforts to reduce the ongoing active caseload through a multi-pronged strategy that included workload rebalancing and implementation of new

case management tools as noted above, update to the Escalating Enforcement Policy, and implementation of the Aged Case Triage Project.

While the annual goal of a 3% year-over-year reduction was not achieved this past fiscal year, progress has been made in slowing the growth of the active caseload. Since fiscal year 2022–2023, staff has reduced the number of new cases being added to the ongoing active caseload each year (see Table C). As noted during the January 2025 Code Enforcement Study Session, the program historically added approximately 200 cases annually to the active caseload. During the pandemic, however, the caseload increased by approximately 1,000 cases equivalent to five years of growth.

The Division’s long-term goal is to reduce the active caseload from over 4,300 cases to a more manageable level of approximately 2,800 cases, consistent with pre-pandemic levels. Continued implementation of the Code Transformation Work Plan, along with reducing and maintaining staff vacancy rates below 10%, is expected to further support progress toward this goal.

Table C: Active General Code Caseload Year-over-Year Comparison

Fiscal Year	Caseload @ Year End	Caseload Increase (# of cases)	Caseload Increase as a %
FY 2019-20	2,880	21	0.7%
FY 2020-21	3,741	861	30%
FY 2021-22	3,810	69	2%
FY 2022-23	4,039	229	6%
FY 2023-24	4,253	214	5%
FY 2024-25	4,301	48	1%

Code Transformation Work Plan Implementation and Accomplishments

The Division completed three quarters of the Phase 1- FY 25-26 Code Transformation Work Plan. Each quarter, OKRs were developed and approved by the Executive Sponsor team to advance the Work Plan goals. Progress was tracked and reported to the Executive Sponsor team at mid and quarter-end. Each Key Result was assessed and assigned a completion status to support transparency and accountability. Completion was grouped into three tiers: 100% complete, greater than 60% complete, and less than 60% complete. By the end of the third quarter, staff had reached 100% completion for 45% (or 26) of Key Results, 26% (or 15) at more than 60% completion, and 29% (or 17) at 60% or less completion.

Consistent with the Scrum-based approach, Key Results were not modified once established for the quarter. As priorities evolved, some Key Results became misaligned with available resources and operational needs, resulting in lower levels of completion.

For example, development and approval of an abandoned shopping cart ordinance to establish a new proactive program model was identified as a Key Result. However, due to resource and budget constraints, the new program model and ordinance was no longer able to move forward. Thus the Key Result remained at 60% or more completion. Similarly, progress on developing a new strategic vision, a primary focus of the role of the Transformation Manager, remained at less than 60% completion with the continued Transformation Manager vacancy.

The end-of-third-quarter Key Result status and summary of the Code Transformation Work Plan key accomplishments to date are provided in the tables and discussion below.

Code Transformation Work Plan- Status of Key Results

FY25-26 OKR Status: 100% of Key Result Complete				
Objectives	Develop and Optimize Workforce	Improve Operational and Program Performance	Increase Customer Service and Communication	Organizational Readiness and Leadership*
Key Results	Hire and Onboard Transformation Manager 1.1.1	Implement Chronic Offender Resolution and Enforcement Pilot (CORE) 2.3.1	Implement opportunities to streamline and confirm CodeX meets requirements 2.7.1 part 2 and 2.7.2	Launch Code Scrum Team*
	Complete Research of Inputs to the Classification Assessment 1.2.1	Submit Budget Request for Enhanced VBS 2.3.1	Optimize Communication and Improve Self-Service 3.1.4	Communicate OKR/Scrum approach to staff*
	Complete Internal Classification Assessment Survey 1.2.1	Update key policies to support strategic enforcement 2.4.1 part 2	Optimize Communication and Improve Self-Service 3.1.5 (Voicemail Policy)	Publish Blight/Vacant Info Memo**
	Create workplan for Workload Analysis (Classification Assessment) 1.2.2	Update key policies to support strategic enforcement 2.4.2 part 2 and 2.5.6 (Escalating Enforcement Policy)	Scope Improvements to Cross-Dept Coordination- Finance 3.3.1	Issue City Council Informational Memo**
	Create online reference guide for CACEO and ICC trainings 1.3.1	Streamline processes/manual tasks /implement quality controls 2.5.1 (Freshdesk)	Create Code/Finance information sharing process for outstanding fines/fees 3.3.1	Update CD 1:1 to provide regular Op Assess Updates /Key milestones*
	Implement Monthly Focused Staff Training 1.3.2	Streamline processes/manual tasks/implement quality controls 2.5.2, 2.5.3, 2.5.5, 2.5.8	Implement new collection reporting process with Finance and identify improvements 3.3.1	Provide Transformation updates at three (3) all-staff trainings*
	Onboard retired-rehire to Support CodeX 2.7.1	Complete Fine Study with Guidehouse**		
		Ordinance adopted for Max 500k fines- fine/fee study completed**		
	Complete Abandoned Shopping Cart Pilot**			

*Not included in Operational Assessment
**Council Direction- Key Initiative

FY25-26 OKR Status: >60% of Key Result Complete				
Objectives	Develop and Optimize Workforce	Improve Operational and Program Performance	Increase Customer Service and Communication	Organizational Readiness and Leadership*
	Key Results	Hire Two (2) Division Mangers*	Update key policies to support strategic enforcement 2.4.2 part 1 (Routine 30 and Improved Prioritization)	Implement improvements to new collection process with Finance 3.3.1
Hire Community Engagement Supervisor 1.1.2		Update AHB packet template 2.5.9	Implement Private Property Encampment Abatement and Illegal Dumping MOU with PRNS 3.3.1	Send out Code Division Update on Progress*
Identify Strategy/ Hire Transformation Manager 1.1.1		Develop Notice of Hearing Template How To's and Train Staff 2.5.10	Scope Improvements to Cross-Dept Coordination 3.3.1 PRNS, CAO, Planning, OEDCA	
Schedule and hold Implicit Bias Training 1.3.1		Execute Weed Abatement Contract* CodeX – Amend Contract* CodeX – (1) Complete CES Data Clean up, (2) 10% record clean-up, & (3) plan for address clean-up*		
*Not included in Operational Assessment **Council Key Initiative				

FY25-26 OKR Status: < 60% of Key Result Complete				
Objectives	Develop and Optimize Workforce	Improve Operational and Program Performance	Increase Customer Service and Communication	Organizational Readiness and Leadership
	Key Results	Complete Workload Analysis (Classification Assessment) 1.2.2	CORE: Roll out to Staff, advance identified cases through process, and complete Q3 analysis in prep for Annual report	Aged Case Triage Project: Review and process 100 Cases 2.4.2 part 3
Submit Budget Request for Support Analyst 1.1.2		CodeX – Complete Requirements for (1) Violations, (2) Inspections Screens and (3) Case People/Citations	Create resources for customer self-service* 3.1.1	Develop fee and framework for Implementation of Vacant Lot Ordinance**
		Establish Division strategy to align on mission/vision/goals/ outcome 2.1.1	Create internal tools for standard timelines and FAQs 3.1.2	CodeX: Deliver first "early preview" of CodeX to all staff.
		Establish Division Strategy- Part A: Determine Key Stakeholders; Set timeline for 1-3 Working sessions; Create Strategic Framework 2.1.1	Develop internal templates for customer comms 3.1.3	
		Update key policies to support strategic enforcement 2.4.1 part 1		
		Streamline processes/manual tasks/implement quality controls 2.5.4, 2.5.7		
		CodeX: Determine if mobile web or app is required for in-field devices (tablets). 2.7.3		
		Launch TRL Task Force and Implement TRL Moratorium**		
*Not included in Operational Assessment **Council Key Initiative				

Operational Assessment Theme 1-Develop and Optimize Workforce

Recommendation 1.1- Modify Organizational Structure and Hire in Key Areas

Over the past year, staff worked diligently to hire for several key positions with moderate success. As part of FY 25-26 budget, approximately 400k was allocated to Planning, Building, and Code Enforcement to fund one limit-dated Transformation Manager position for two years and add one ongoing Community Engagement Supervisor Position. These additions were critical to providing the staffing and support needed to effectively oversee and implement the Code Transformation Work Plan, improve operational efficiency, advance key recommendations, and strengthen service delivery, strategic planning, and community engagement.

In December 2025, staff successfully hired and onboarded a Transformation Manager. However, shortly after onboarding, the candidate resigned. Staff is currently in the process of selecting a new Transformation Manager. The recruitment for the Community Engagement Supervisor position is also in progress with hiring and onboarding expected to be completed by May 2026. A recruitment to fill the Division's two longstanding Division Manager vacancies is also underway with plans to fill both Division Manager positions by the end of the fiscal year. Lastly, to support the ongoing CodeX project, staff onboarded a retiree-rehire as a support analyst to assist with large-scale data cleanup in preparation for the project's data migration of millions of case records.

Recommendation 1.2- Conduct Classification Assessment

Initial steps were completed in support of a classification assessment of staff across the Division including creating a work plan for a formal workload analysis, gathering inputs required to conduct the assessment, and conducting job classification survey of all Division staff. As the Division has experienced ongoing vacancies in nearly every job classification over the past 10 years, a classification assessment is critical to ensure the Division is appropriately staffed to retain current employees and support optimal operational performance and service delivery. The classification assessment will also help clarify job expectations and support professional development, recruitment, succession planning, and inspector hiring.

Recommendation 1.3- Increase Training Opportunities and Support a Culture of Development

The Division implemented an annual training plan for monthly focused inspector trainings beginning in July 2025 to introduce new skills and reinforce core competencies for inspection staff, with topics including the updated Escalating Enforcement Policy, case management best practices, and inspection protocols. To further support this effort, quarterly refreshers are also planned to be implemented in Fiscal Year 2026-2027 (FY 26-27) along with quarterly training for Supervisors on topics such as

coaching and mentoring, case management, and performance appraisals. A resource guide of approved trainings with professional organizations such as the California Association of Code Enforcement Officers and International Code Council is also in development. These training opportunities are designed to improve overall performance by promoting consistency and accuracy in inspections, strengthening decision-making, and reducing errors. They also support employee confidence and enhance problem-solving through ongoing learning and collaboration.

The annual training plan will be evaluated in June 2026 to assess effectiveness and incorporate feedback and lessons learned into the creation of the training plan for FY 26-27.

Operational Assessment Theme 2-Improve Operational and Program Performance

Recommendation 2.1- Set Strategic Vision for the Division

Over time, the Division's core mission and expectations have expanded and evolved. As a result, the current mission and vision have become misaligned with current demands and scope, contributing to a lack of clear programmatic focus. To better position the Division to fulfill its mission, a new vision is needed to guide strategy and case management. The Operational Assessment provides a framework to develop a renewed strategic vision for the Division, including a series of planning exercises and community workshops to clarify priorities, align expectations, and strengthen operational focus.

In FY24-25, staff completed two critical steps toward the development of a renewed strategic vision. Staff developed a five-year strategic plan incorporating the Operational Assessment recommendations, as well as key initiatives such as Housing Element Strategies S-1 through S-6, E3 enforcement, and Soft-story enforcement. Staff also developed a working strategic vision, Vision 2030, as part of the five-year strategic plan to guide operations until a new strategic vision is formally established. The working strategic vision is as follows:

Vision 2030: A trusted, fully resourced, and data-driven division recognized for delivering prompt, ethical, effective, and reliable enforcement through efficient processes, advanced technology, and strong community partnerships.

Once onboarded, a core responsibility of the Transformation Manager will be to advance this key recommendation and establish a strategic vision including defining a clearer scope, strengthening understanding of how the Division fits within the City's overall strategy, and clearly communicating the Division's priorities and services.

Recommendation 2.3.1- Establish Chronic Offender Resolution and Enforcement Pilot Program

To address private property with chronic code violations that significantly impact health, safety, and quality of life, such as chronic blight, significant substandard housing, or hazardous conditions, the Division implemented the Chronic Offender Resolution and Enforcement (CORE) Pilot Program. The CORE program focuses on persistently non-compliant properties with the goal of reducing repeat violations, expediting enforcement, preventing legacy cases and nuisance properties, and improving overall responsiveness while ensuring fairness and due process. Although originally intended to focus on new incoming cases, staff has expanded the pilot to include open cases as well. The pilot program was launched in March 2026 following the development of program materials, policies, and procedures, creation of new data fields and metrics, and completion of staff training. Properties that meet any of the following criteria will be eligible for the program.

- Three or more confirmed violations of chronic blight, substandard housing, hazardous conditions, or nuisance activities at the same property within three years; or
- Three or more such violations across different properties owned by the same responsible party within three years; or
- A property with violation(s) involving these conditions that remains unresolved for at least three years.

Once added to the program, the property will undergo an initial inspection by a Code Enforcement inspector. If violations are found, the property owner will be given 30 days to comply. If violations remain unresolved upon reinspection, the supervisor will review the case for potential referral to the City Attorney's Office for legal action or issuance of a Compliance Order, significantly expediting the enforcement process.

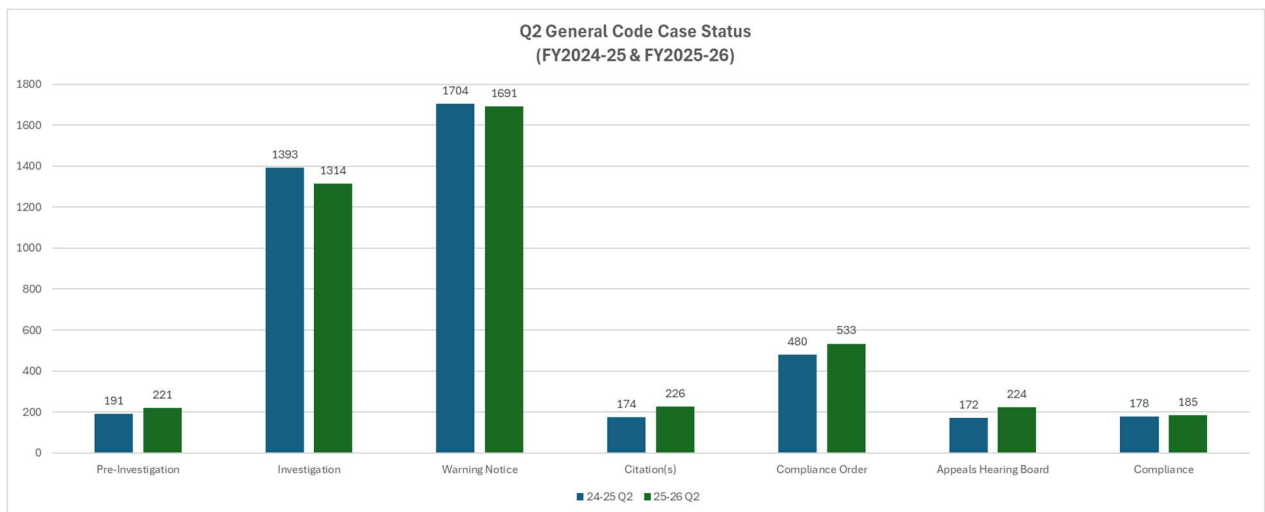
The pilot program is unfunded and is being absorbed by the current General Code Program general fund resources. Staff will evaluate the pilot program in September 2026 to analyze effectiveness, make improvements, identify any resource needs, and determine potential scalability to other programs such as Multiple Housing.

Recommendation 2.4- Update Policies to Support Strategic Enforcement- Escalated Enforcement Policy

The goal of this recommendation is to improve case closure and inspector effectiveness through stronger follow-through, prioritization, and reduced timelines. Originally established in 2002 to support timely and strategic escalation of enforcement actions, the Escalated Enforcement Policy was recently updated to provide clearer procedures and a more structured, step-by-step framework to ensure consistent and timely enforcement when compliance is not achieved. The updated policy establishes defined timelines, a formal escalation process, expanded criteria for City Attorney referrals, and

greater inspector discretion, supported by tools designed to improve consistency and decision-making.

Since implementation in September 2025, staff has observed measurable improvements in case progression. As shown in the graphic below, a comparison of second quarter data between FY24-25 and FY25-26 reflects an increase in cases in the enforcement stage and a corresponding decrease in cases at the investigation and warning notice stages, indicating that cases are moving more efficiently through the enforcement process under the updated policy. Staff will continue to track performance through the next fiscal year, making adjustments and improvements as opportunities and pain points are identified further streamlining the enforcement process and efficacy of this updated policy.



Recommendation 2.4.2- Backlog Management Policy- Aged Case Triage Project

As part of ongoing efforts to improve efficiency and address longstanding case backlog, staff initiated the Aged Case Triage Project in July 2025 to systematically review cases with no recorded activity for two years or more (2023 and prior). The purpose of this effort is to assess case status, determine appropriate next steps, and advance cases toward resolution, including reactivation, escalation to enforcement, or case closure.

Based on this criterion, staff identified 1,216 cases for review, comprised primarily of building cases (55%), followed by substandard housing (23%), other* (12%), zoning (9%), and blight (1%). A breakdown of the identified aged cases by type is provided in Table D below.

As a first step, the project team removed inactive aged cases from inspectors' current workloads for focused review and triage. This effort reduced the number of inactive cases assigned to inspectors, helping better align active caseloads with current workload demands. Next, staff utilized the newly developed Pipeline Report to focus on cases in the pre-investigation and compliance stages and efficiently identify cases eligible for closure. Cases were closed based on clear administrative or factual conditions, including instances where inspections were never conducted or no violations were observed, where issues had been resolved but the case was never formally closed, and where the reported violation was verified to be no longer present. This resulted in the initial closure of 29 cases.

After this step was completed, staff began the more intensive process of reviewing cases in the inspection and enforcement stages working to develop a framework for consistent and methodical review of cases and defined, clear next steps based on an established criteria such as last enforcement action, whether violations were verified, and if ownership had changed. The project team has also utilized a test and learn approach, implementing strategies, evaluating, learning, refining, and adjusting to improve outcomes. As of January 2026, staff had reduced the number of inactive cases from 1,216 to 893.

While staff has made good progress, advancement of the work is constrained by available staffing capacity. Lessons learned from this work will inform the development of the Backlog Management Policy to support ongoing monitoring and management of the case inventory. In alignment with the Operational Assessment recommendation key components of the policy will include:

- Establishing standardized procedures for routine backlog review and case disposition;
- Defining criteria and timelines for resolving long-standing cases; and
- Ensuring inactive, duplicative, and low-priority cases are appropriately closed to maintain an accurate and manageable caseload.

Staff will continue implementation of the project through FY 26-27 including completion of recommendation 2.4.2 Backlog Management Policy.

Table D: Aged Cases by Case Type

Case Type	Case Count	Case Count (%)
Building	665	55%
Substandard Housing	283	23%
Other	140	12%
Zoning	113	9%
Blight	15	1%
Total-All Cases	1216	100%

*"Other" case types include health & safety, solid waste, nuisance, etc.**

Recommendation 2.5.1- Establish One Centralized Email Inbox- Freshdesk

As part of the Operational Assessment, Guidehouse Consulting identified several process pain points, including the complaint intake process. The assessment found that intake was fragmented, with complaints submitted through the website, phone, in-person visits, and multiple email inboxes. This structure made it difficult to consistently track and manage incoming complaints and inquiries across platforms.

One of several recommendations to address these pain points was to establish a single centralized email inbox to improve tracking, consistency, and accountability in monitoring, managing, and responding to incoming service requests and inquiries while maintaining the multiple public-facing inboxes needed to meet varying customer needs.

Thus, in December 2025, staff implemented the use of *Freshdesk* a help-desk application that consolidated Code Enforcement's three main inboxes into a single, shared workspace allowing staff to manage, prioritize, respond to, and resolve service requests and inquiries more efficiently. Within the first 90 days of implementation, staff has seen overall improvements in timeliness and responsiveness addressing all service requests or general inquiries in 14 working hours or less.

Recommendation 2.7- Expedite and Prioritize Adoption of CodeX

A key component of the Code Enforcement Transformation Work Plan is the replacement of the Division's legacy case management system with a modern platform designed to improve efficiency, transparency, and overall service delivery across all programs. Staff has made significant progress with requirement gathering for core service, violations, corrective actions, and macros; data integrity, re-alignments, and clean up; retention schedule; and document mail merge. However, the implementation timeline has been extended, with an estimated phase one projected go-live in July 2027.

Project delays have been driven by a combination of resource constraints, technical challenges, and greater-than-anticipated complexity. Limited staffing has contributed, as team members balance project work with day-to-day responsibilities, making it difficult to maintain consistent progress and accurately forecast timelines. Limited support capacity from partner departments has also required greater reliance on vendor resources and interim workarounds, further extending the schedule.

The age and condition of the Division's legacy system have created additional challenges. Data inconsistencies, lack of standardized records, and the absence of formal retention practices have required substantial effort to clean and prepare for data migration, while also aligning legacy data with the structure and functionality of the new system. The overall project scope and complexity were initially underestimated, and evolving business needs, including new requirements from the operational assessment to improve service delivery, operations, customer service, data, and reporting, have

added to the level of effort required. Collectively, these factors have contributed to the extended project timeline.

Currently staff is in the process of amending the contract with the vendor to update project scope, revise timeline, and align deliverables with the amended scope and complete a mail merge project for the existing system to ensure merged documents continue to function until go-live.

Theme 3- Increase Customer Service and Communication

Recommendation 3.3.1- Explore strengthening and formalizing partnerships with other City divisions/departments

Staff worked to strengthen and formalize partnerships with other City Departments and Divisions as part of the Code Transformation Work Plan. As noted in the Operational Assessment, Code Enforcement cases and processes are often multifaceted and often require coordination with multiple City departments including but not limited to the Police Department, Fire Department, PRNS, Office of Economic Development and Cultural Affairs (OEDCA), and Housing Department. However, there are limited regular, formal opportunities for direct communication and information sharing between Code Enforcement and these partner Departments, resulting in inefficiencies, duplication of effort, and challenges in timely information exchange. These gaps can also contribute to delays in resolving complex cases and addressing broader citywide issues.

Given the number of departments identified, staff prioritized implementation of this recommendation by focusing on the most critical coordination needs with Finance identified as the first priority, followed by PRNS, the City Attorney's Office, Planning, and OEDCA. In December 2025, in coordination with Code Enforcement, Finance developed a monthly report of outstanding Code Enforcement invoices shared monthly to improve transparency and support collection efforts. In January 2026, staff launched the biweekly Finance and Code Coordination Series focusing on two initial objectives determined by the team:

- 1) Strengthen and Improve Collection Rates
- 2) Improve Invoicing Process, Coordination, and Systems Integration

Staff has also begun work to improve coordination with the City Attorney's Office creating an intradepartmental tracking of cases that are referred to the City Attorney for litigation or other legal support and expanding the Code/City Attorney biweekly meeting to include the two newly assigned litigation and transactional attorneys.

Theme 4- Organizational Readiness and Leadership

As noted previously, staff added a fourth theme to the Code Transformation Work Plan Organizational Readiness and Leadership to support change management and ensure

transparency and communication within the division and organization. Descriptions and timeline for Theme 4 key accomplishments include:

June 2025	Executive sponsored Scrum Team launched
July 2025	Status of Blighted Properties Informational Memorandum published
September 2025	Transformation Work Plan and Key Initiatives Memorandum published
October 2025	<ul style="list-style-type: none"> • All-staff Division Meeting to inform staff of the Operational Assessment outcomes, Code Transformation Work Plan, and OKR/Scrum approach to implementation. • <i>Code Enforcement Transformation- Story of Progress</i> framework established to identify and implement opportunities to communicate transformation progress and milestones to staff and throughout organization. • Updates during monthly staff team meetings and trainings began as part of the <i>Code Enforcement Transformation- Story of Progress</i>
February 2026	Key Transformation milestone updates provided as part of Planning, Building, and Code Enforcement/Councilmember 1:1s

Status of Key Initiatives

Following the completion of the Operational Assessment in May 2025, several other City Council directed initiatives were added to the Code Transformation Work Plan. The following provides a summary of current status and actions taken to date.

Maximum Administrative Penalties and Fine Study- >60% Complete

As part of the approval of the Code Enforcement Operational Assessment Report staff was directed to return to Council in Summer 2025 with an ordinance increasing administrative remedy per day and total maximum penalties. Staff was also directed to complete an administrative fine study as proposed in staff’s report.

Staff returned to City Council in August 2025 with a proposed ordinance amendment that was approved by City Council increasing the per day maximum administrative penalty amount from \$2,500 to \$20,000 per violation and total maximum administrative penalty amount from \$100,000 to \$500,000 effective in October 2025.

Staff secured funding through the 2024–2025 Annual Report to contract services with Guidehouse Consulting to complete a high-level fee study and analysis. Due to budget constraints, the original scope was reduced to the following:

Original Proposed Scope	Reduced Actual Scope
<ol style="list-style-type: none"> 1) Evaluation of current fine structure 2) Evaluation of effectiveness in achieving compliance 3) Proposed recommendations for revised or new fines, as well as potential tools and strategies to enhance enforcement 	<ol style="list-style-type: none"> 1) Analyze the effectiveness of current fine structures in encouraging compliance 2) Interview a focus group and peer agencies to identify enforcement challenges and develop benchmarks 3) Review key takeaways to inform future recommendations that may increase compliance rates.

To address the reduction in scope, staff devised a two-part approach to complete the fine study as follows:

- Part 1- Complete the fine study with Guidehouse Consulting and utilize deliverables to inform Part 2.
- Part 2- Staff continue benchmarking and analysis and develop proposed fine amendments to bring to City Council for consideration

Staff originally proposed to bring the amended fine proposal to City Council by the end of FY 25-26. However, the reduced scope and resulting two-phase approach were not anticipated in that timeline. Given staff's limited capacity, ongoing transformation work, other City Council-directed initiatives, and competing priorities, the timeline for completion of the fine amendment ordinance has been extended to FY 26-27.

Abandoned Shopping Cart Pilot Program- 100% Complete

Over the past year, staff carried out policy and operational efforts to address abandoned shopping carts, including amending the City's ordinance to enhance enforcement, and exploring a potential proactive cart retrieval program model. As part of this effort, staff conducted a 3-month pilot program from mid-August to mid-November 2025 across two designated hotspot areas.

In addition to addressing 734 carts, staff worked with program stores and the contractor to support proactive cart retrieval operations and worked closely with partner departments, such as PRNS and Department of Transportation, to improve cart related operations and processes such as 311 complaint response, cart storage, and retrieval logistics. Staff also tracked data such as collection trends by area and retailer to help inform future operations and enforcement. While the pilot did not result in the establishment of a formal program, the pilot was a success in that it provided an opportunity to learn about proactive model implementation, gain insights about pain points and challenges in our current processes, and gather data to inform enforcement in hotspot areas.

Tobacco Retail License Temporary Moratorium Work Plan- < 60% Complete

On December 16, 2025, City Council approved the Tobacco Retail License Temporary Moratorium Work Plan identifying goals to be completed over the next two years prior to expiration of the Moratorium on November 3, 2027. Recent and ongoing staff vacancies including the Tobacco Retail License Inspector position have delayed progress toward the Work Plan goals. However, staff is continuing work to advance the effort. Status of the approved Work Plan items is provided in the table below.

Table E: Tobacco Retail License Temporary Moratorium Work Plan

Work Plan Item	Actions Completed	Next Steps	Target for Completion
Secure Additional Resources- Expand scope of Department of Justice (DOJ) grant and identify other funding to support enforcement	<ul style="list-style-type: none"> Request submitted to expand scope of Department of Justice (DOJ) grant to include enforcement 	<ul style="list-style-type: none"> Obtain approval and onboard Retire-rehire to conduct enforcement 	April 2026
Improve Enforcement Coordination- Work with Police, County, and State agencies to develop a coordinated enforcement strategy	<ul style="list-style-type: none"> Identified pain points and opportunities for better coordination Drafted proposed inter-agency procedures/workflow and reviewed with City Attorney 	<ul style="list-style-type: none"> Finalize inter-agency procedures/workflow and present to agencies for review. 	May 2026
Amend Fine Schedule- Increase TRL fines per Council direction	<ul style="list-style-type: none"> Fine Study Part 1 Completed (Guidehouse) 	<ul style="list-style-type: none"> Begin Fine Study Part 2 including benchmarking, analysis, and development of fine amendment recommendations (Staff) 	FY26-27
Ordinance Updates- Strengthen TRL regulations and close loopholes	<ul style="list-style-type: none"> Began ordinance research/peer agency benchmarking 	<ul style="list-style-type: none"> Complete ordinance research/benchmarking 	FY26-27
Enhance Enforcement and Compliance- License revocation, cessation of sales, or legal action	<ul style="list-style-type: none"> Finalized cease-and-desist letter and reviewed with City Attorney Developed enforcement plan. 	<ul style="list-style-type: none"> Issue cease-and-desist letters for 80+ unpermitted businesses Begin enforcement 	April 2026
Business Licensing Compliance- Ensure all eligible businesses are licensed	<ul style="list-style-type: none"> Completed first review and reconciliation of City/State business rosters. 	<ul style="list-style-type: none"> Conduct final review Begin enrollment or enforcement /cessation of sales. 	April 2026
Proactive Inspections and Complaint Response	<ul style="list-style-type: none"> Completed 135 Annual Inspections as of Feb 2026 	<ul style="list-style-type: none"> Continue inspections and complaint responses per required timelines. 	Ongoing
Monitor State/Federal Regulations	<ul style="list-style-type: none"> “Adopted” new product list issued by State as guideline for enforcement 	<ul style="list-style-type: none"> Continue to monitor State and Federal Regulations and enforcement practices 	Ongoing

Fiscal Year 2025-2026 Quarter Four Code Transformation Work Plan Goals

The following Objectives and Key Results are planned for quarter four of FY 25-26. The Objectives and Key Results for this quarter have been intentionally scaled back to better

align with staff capacity and ensure effective implementation of priority work. As staff has completed key results and advanced key City Council initiatives, such as the Escalating Enforcement Policy, CORE, and the Tobacco Retail License Temporary Moratorium Work Plan, overall capacity has become increasingly constrained.

In response, staff has taken a measured and deliberate approach to the fourth quarter goals to ensure that quality of work is not compromised in favor of quantity. Through this year’s implementation experience, staff has observed that when demands on resources exceed capacity, core operations are impacted, quality diminishes, and efforts become focused on maintaining workload rather than achieving meaningful outcomes. While many key results are anticipated to be completed within the quarter, several are expected to carry over into the next fiscal year.

FY25-26 Q4 OKRs <u>PROPOSED</u>				
Objectives	Develop and Optimize Workforce	Improve Operational and Program Performance	Increase Customer Service and Communication	Organizational Readiness and Leadership
Key Results	Complete interviews and extend offer to Division Manger	CodeX – Amend Contract	Scope resources for customer self-service 3.1.1	Hold Division-Wide Meeting to Update on Progress
	Hire and Onboard Community Engagement Supervisor 1.1.2	CodeX – Complete Regs for (1) Violations, (2) Messaging & (3) Case People/Citations and (4) 25% Reporting	Create internal tools for standard timelines and FAQs* 3.1.2	Continue regular updates to CD 1:1 on Op Assess
	Onboard Transformation Manager 1.1.1	CodeX – (1) Complete CES Data Clean up, (2) 10% record clean-up, & (3) begin address clean-up.	Develop internal templates for customer comms 3.1.3	Provide Code Annual Report to NSE
	Complete Workload Analysis (Classification Assessment) 1.2.2	Complete Analysis for Potential Fine Amendments	Implement Improvements to Cross-Dept Coordination 3.3.1 PRNS, CAO, OEDCA	
	Schedule and hold Implicit Bias Training 1.3.1		Implement improvements to new collection process with Finance 3.3.1	
				Aged Case Triage –establish primary process for advancement of cases through process.

Between now and fiscal year end, staff will complete a comprehensive review of outstanding Key Result items, ongoing City Council-directed initiatives, and emerging division priorities, along with completed FY 25-26 Key Results and Year 2 Work Plan goals (see Table F below), to inform the development of priorities and key results for the upcoming fiscal year. This process will also support continued refinement and communication of transformation progress to Division staff, key stakeholders, City Council, and the community as well as reporting in the FY 26-27 Code Enforcement Annual Report.

Table F: Fiscal Year 2026-2027 Code Transformation Workplan Goals

#	Recommendation	Outcomes
1.1	Modify Organizational Structure/Hire in Key Areas	Continue to assess organizational structure, recommend position changes as needed, and hire as appropriate.
1.5	Establish a Succession Planning Process	Improve staff skills, to enhance trust, communication, decision-making, and process implementation, preparing staff to take on new roles when vacancies occur.
2.2	Realign and Narrow Program Scope	Reduce case backlog and expand effectiveness of inspectors.
2.3	Expand Pilot Programs	Proactive blight management, improve response times, improve community engagement, and increase economic activity.
3.2	Invest in Community Education and Partnerships	Inform and empower the community, improve collaboration and compliance, and develop stronger neighborhood relationships.

Collectively, the efforts outlined in this report are intended to support continued progress on the Code Enforcement Transformation Work Plan while continuing to deliver core services and meet ongoing City Council and community expectations. Although implementation timelines may continue to be influenced by staffing and workload constraints, the Division remains focused on advancing its key priorities in a deliberate and sustainable manner. As capacity stabilizes and key positions are onboarded, staff will be better positioned to strengthen coordination, improve execution of priority initiatives, and continue building toward a more efficient, responsive, and sustainable enforcement program.

COORDINATION

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



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