
PERFORMANCE AUDIT OF THE CODE ENFORCEMENT DIVISION

Improvements in Division Procedures,
System Capabilities, and Performance
Measurement Are Needed to Increase
Program Effectiveness and Reduce
Response Times for High-Priority Cases

Office of the City
Auditor

City of San Diego



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THE CITY OF SAN DIEGO

October 15, 2015

Honorable Mayor, City Council, and Audit Committee Members
City of San Diego, California

Transmitted herewith is an audit report on the City of San Diego's Code Enforcement Division. This report was conducted in accordance with the City Auditor's Fiscal Year 2015 Audit Work Plan, and the report is presented in accordance with City Charter Section 39.2. The Results in Brief is presented on page 1. Audit Objectives, Scope, and Methodology are presented in Appendix B. Management's responses to our audit recommendations can be found after page 53 of the report.

We would like to thank staff from the Development Services Department and, in particular, the Code Enforcement Division for their assistance and cooperation during this audit. All of their valuable time and efforts spent on providing us information are greatly appreciated. The audit staff responsible for this audit report are Andy Hanau, Megan Garth, Chris Kime, and Kyle Elser.

Respectfully submitted,

Eduardo Luna
City Auditor

cc: Scott Chadwick, Chief Operating Officer
Stacey LoMedico, Assistant Chief Operating Officer
Mary Lewis, Chief Financial Officer
Jan Goldsmith, City Attorney
Rolando Charvel, City Comptroller
Andrea Tevlin, Independent Budget Analyst
Brian Pepin, Director of Council Affairs
David Graham, Deputy Chief Operating Officer, Neighborhood Services
Robert Vacchi, Director, Development Services Department
Michael Richmond, Deputy Director, Code Enforcement Division

OFFICE OF THE CITY AUDITOR
1010 SECOND AVENUE, SUITE 555, WEST TOWER • SAN DIEGO, CA 92101
PHONE (619) 533-3165 • FAX (619) 533-3036

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Results in Brief

Code enforcement is essential for safe and healthy living and the protection of property values. Responding to, addressing, and resolving code violations in a timely manner are all imperative to enhancing the quality of life in our local communities. Every community struggles with code violations such as blight, vacant properties, inadequately fenced pools, uninhabitable living conditions, and unstable structures. Code enforcement investigators provide the first line of defense to address these issues with regard to protecting and enhancing the quality of each community.

Over the last few years, the Code Enforcement Division (CED) has undergone significant changes in terms of structure, staffing, and resources. In FY 2007, Code Enforcement was downgraded from a department to a division of the Development Services Department (DSD). In response to the economic downturn, CED's senior management staff was reduced by 75 percent, and CED's staff level was reduced from 77 to 53 employees. This period also saw the division's transition from its old database management system to DSD's Project Tracking System (PTS) as a way to manage code cases. More recently, CED has been able to increase its staffing levels, including the addition of two program managers, and they completed a division restructuring of investigators into interdisciplinary teams in areas more closely aligned with Council District boundaries. Also, in September 2015, the City Council approved DSD's request to purchase Accela, a widely-used permitting and code enforcement case management system.

We reviewed Code Enforcement operations to determine whether CED:

- a) rapidly responds to the most serious violations that threaten health, safety, or environmental quality;
- b) uses appropriate techniques and processes to maximize the efficiency and effectiveness of code enforcement efforts; and
- c) uses appropriate metrics to monitor program performance and drive efficient and effective operations.

Based on our review, we found that:

- 1) Tracking System Modifications and Improved Training and Oversight Are Needed to Reduce Response Times for High-Priority Cases.

CED only achieves its response time goal of two business days for Priority 1 violations 29 percent of the time, and only meets its response time goal of five business days for Priority 2 violations 59 percent of the time. Slow responses to high-priority violations are not due to a lack of resources, but rather, a lack of appropriate prioritization. CED's average response times for

high-priority and low-priority cases are nearly identical, which indicates that investigators are not responding to high-priority violations with any greater urgency than lower-priority violations. Furthermore, delays in the intake process slow the response to many complaints, regardless of priority. Improved tracking system capabilities, as well as additional guidance, training, and oversight are needed to ensure that CED responds to the code violation complaints it receives with appropriate urgency.

- 2) Increased Consistency When Issuing Fines, Penalties, and Warnings Will Improve the Efficiency, Effectiveness, and Fairness of Code Enforcement Efforts.

While voluntary compliance¹ is CED's primary goal, in cases of repeated violations or extended noncompliance, the consistent issuance of fines and penalties improves the efficiency and effectiveness of code enforcement efforts. We found that CED can improve consistency in the issuance of fines and penalties by adopting a more systematic enforcement framework. Appropriate use of fines and penalties in some circumstances can help ensure that violations are corrected more quickly and deter future violations, which reduces the City resources needed to achieve and maintain compliance and improves the quality of life in our communities. CED should revise its enforcement procedures to establish a specific framework for issuing fines and penalties, and require supervisor approval for any deviations.

- 3) Resources Expended on Some Lower-Priority Violations Can Be Reduced.

We found that CED can improve the efficiency of the enforcement process for some lower-priority violations that do not require an immediate response by mailing Administrative Citation Warnings more consistently, prior to conducting an initial inspection.

- 4) Performance Reports Used by CED Management, Policymakers, and the Public Are Inaccurate, and Do Not Measure Important Metrics Including Response Times and Average Time to Achieve Compliance.

Currently, CED's only performance measure is "Percent of Investigator Actions Completed On-Time."² However, we found that PTS data is not reliable for determining whether tasks were completed on-time, and the current methodology used by CED to report this metric inadvertently overstates CED's performance. Improved data entry protocols, a revised

¹ Voluntary compliance is defined as achieving compliance without assessing any fines or penalties.

² CED refers to this metric as "Percent of Code Enforcement Cases Meeting Required Action Deadlines."

measurement methodology, and additional training and oversight are needed to improve the accuracy and reliability of this performance metric. Furthermore, we found that while “Percent of Investigator Actions Completed On-Time” is a useful metric, it does not capture critical aspects of program performance. To improve performance measurement and accountability, CED should adopt and report on additional performance metrics, including response times and the amount of time required to achieve compliance.

- 5) CED Needs a Replacement System for PTS That Is Specifically Designed for Code Enforcement Use.

While PTS upgrades are necessary to improve CED’s case management in the short-term, CED ultimately needs to replace PTS with a system that is adapted specifically for code enforcement purposes and meets modern code enforcement needs. CED staff should actively participate in configuring the new replacement system, Accela, to ensure it includes the recommended features necessary for efficient code enforcement management.

We made a total of 12 recommendations and management agreed to implement all 12 recommendations.

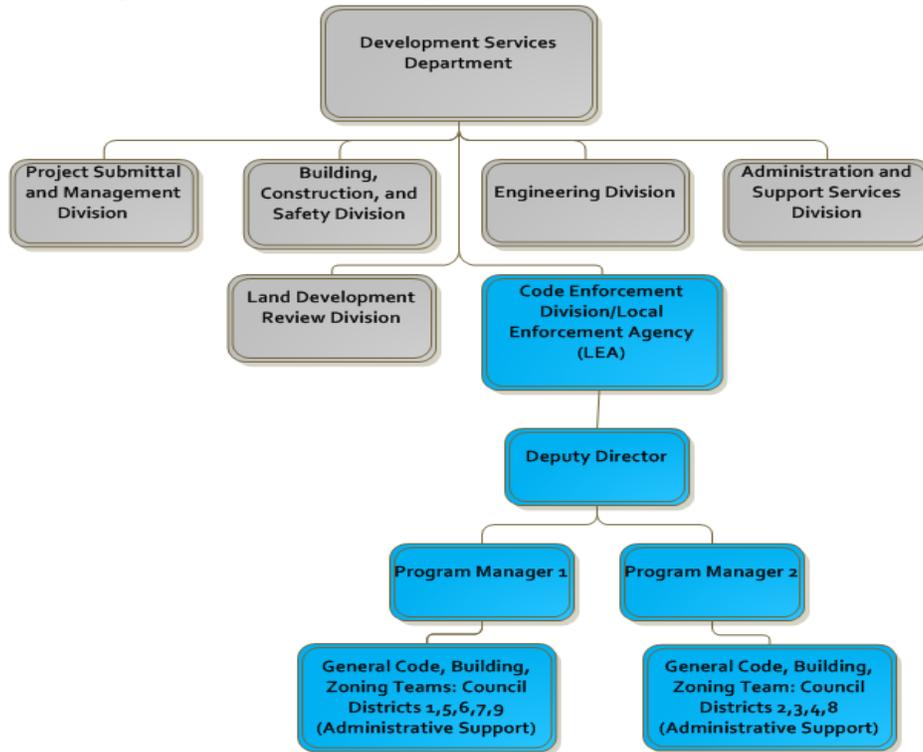
Background

San Diego’s Code Enforcement Division’s Goal Is to Work in Partnership with San Diego City Residents to Maintain a Safe Community

The City of San Diego’s (City) Code Enforcement Division’s (CED) goal is to work in partnership with the people of San Diego to promote and maintain a safe and desirable living and working environment. Its mission is to improve the quality of San Diego’s neighborhoods through education, enforcement, and abatement; to respond to community concerns and attain code compliance while maintaining high professional standards; and continually seek improvements and innovations. Code enforcement investigators (“investigators”)³ enforce various provisions of the San Diego Municipal Code (SDMC) and applicable California State (State) codes related to building, housing, zoning, and mobile home parks within the City limits. **Exhibit 1** displays CED as one of six divisions of the Development Services Department (DSD).

Exhibit 1

The Code Enforcement Division Has One Deputy Director and Two Program Managers Supporting Interdisciplinary Teams of Investigators



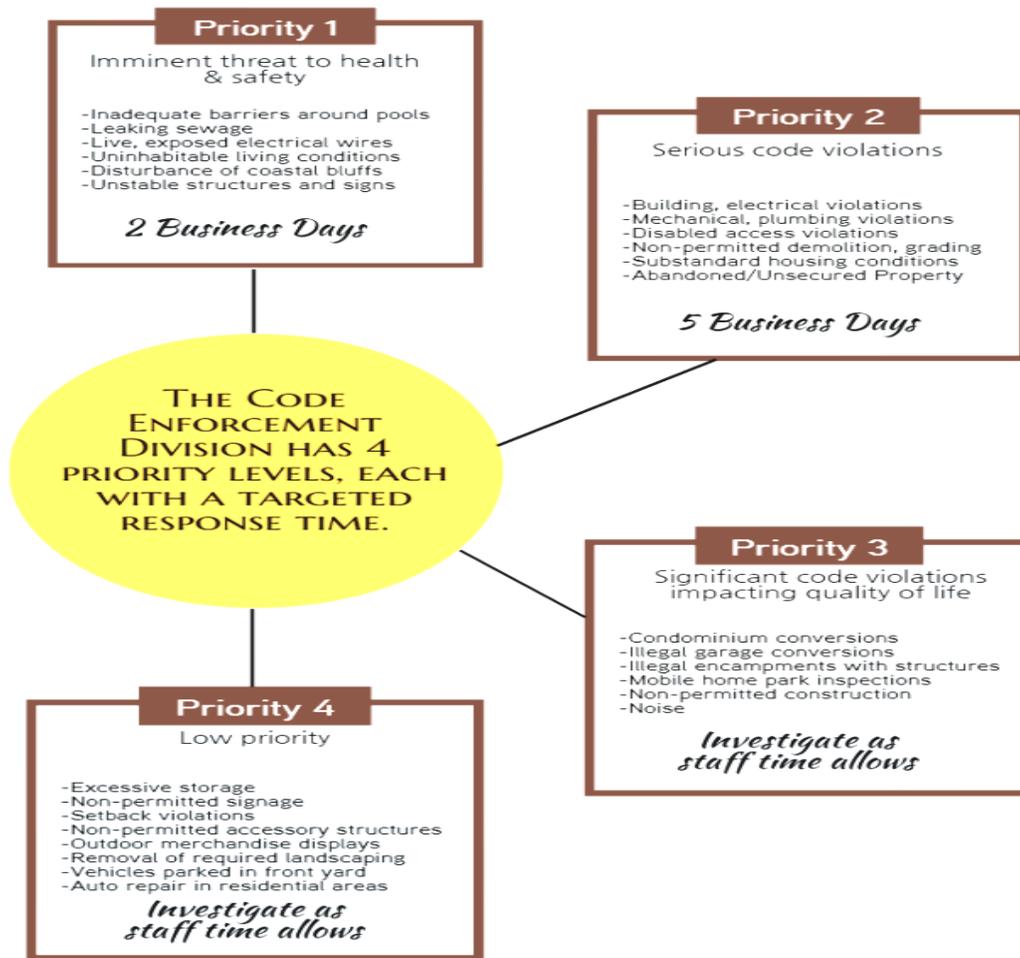
Source: OCA, based on review of organization charts from the Development Services Department and Code Enforcement Division.

³ CED field staff is generally comprised of three different classifications: Combination Inspectors (also known as Building Inspectors), Zoning Investigators, and Code Compliance Officers. For the purpose of clarity, CED field staff are referred to as ‘investigators’ throughout this report.

CED Prioritizes Violations by Impact and Severity In San Diego, as in other major cities, code violations are widespread. Furthermore, these violations vary greatly in impact and severity on residents, businesses, and visitors. Some violations, such as unsafe housing, leaking sewage, unfenced pools and illegal grading in coastal canyons threaten health, safety, and/or environmental quality. Other violations, such as unpermitted signage, animal noise and excessive storage, are a nuisance but have a lesser impact on residents. In addressing the need to respond to various types of complaints more quickly than others, CED has created a matrix of violations that are organized into four priority levels. As shown in **Exhibit 2**, more serious violations that threaten health, safety, and environmental quality are a higher priority and should be responded to more quickly.

Exhibit 2

The Code Enforcement Division Responds to Four Priority Level Violations by Designated Response Times

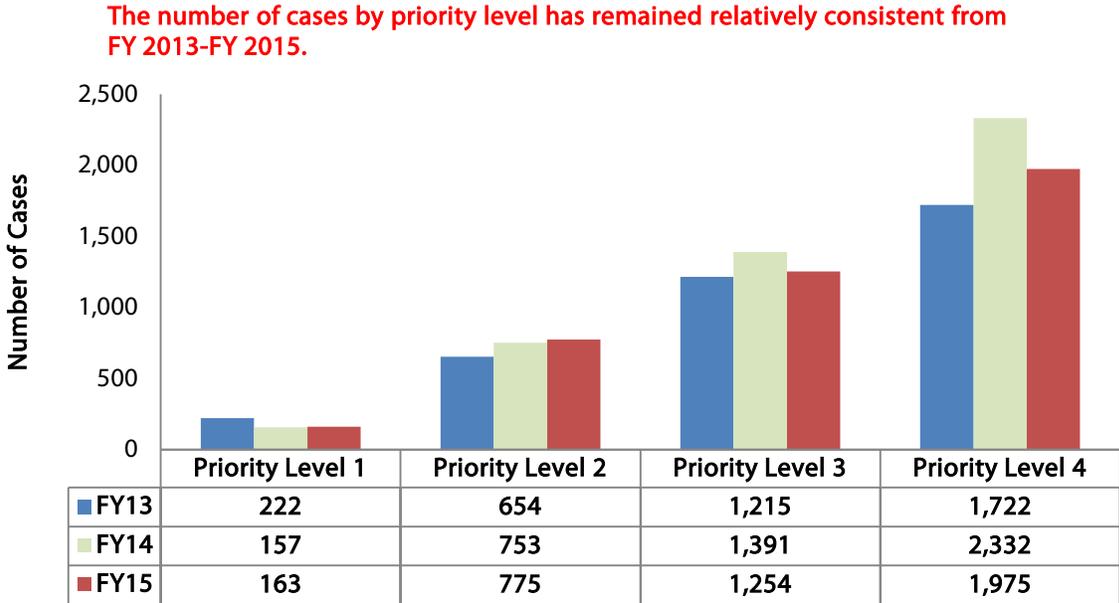


Source: OCA generated, based on Code Enforcement Division’s listing of violations by priority type and response time.

Exhibit 3 shows the number of cases by priority level from Fiscal Year (FY) 2013-FY 2015.

Exhibit 3

The Code Enforcement Division Receives Approximately 4,200 Cases per Year



Source: OCA, based on data provided by Development Services Department/Code Enforcement Division.

Investigators Are Assigned to Cases According to Violation Types and Areas

CED provides primarily reactive code enforcement actions. Most cases are initiated in response to resident complaints. Some other programs, such as the recently expanded Substandard Housing Program, conduct proactive investigations. CED’s investigators are divided into teams by areas that closely align with the City’s nine Council Districts. Each team has investigators designated by their area of specialty:

Building Investigators enforce State and local government building codes with respect to building construction and maintenance, including electrical, mechanical, and structural integrity.

Zoning Investigators inspect areas within the City for zoning, land use, development, building code, and related regulations.

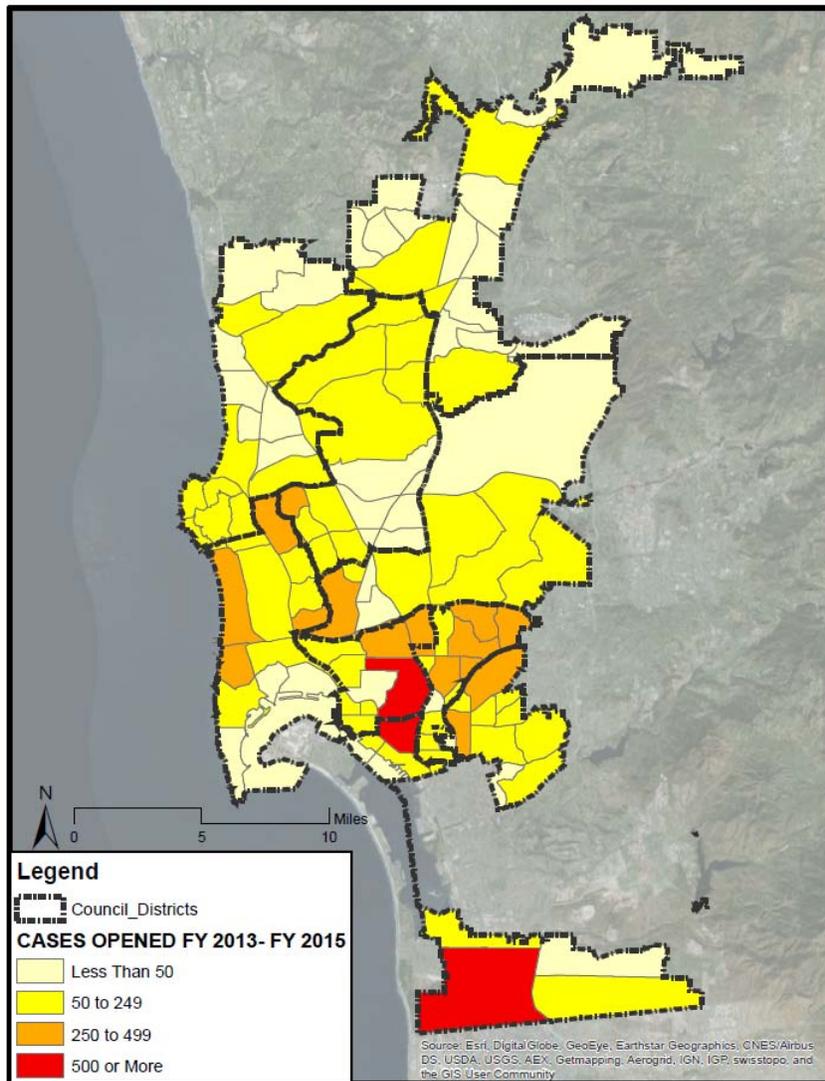
General Code Compliance Investigators conduct field investigations of various businesses and properties for code compliance with regard to complaints such as weed abatements, abandoned personal property, small animals, and litter.

CED has also designated several investigators to focus on enforcing zoning regulations in regards to unpermitted marijuana dispensaries and residential high occupancy cases. More recently, CED has partnered with the Transportation & Storm Water Department to assist property owners in upgrading and/or permitting their electrical panels in order to aid the City's effort to underground overhead electrical wires.

CED opened approximately 13,000 code violation cases across the City's 103 inspection districts from FY 2013 to FY 2015. **Exhibit 4** maps out the number of cases by inspection district.

Exhibit 4

Code Violation Cases Across the City's Inspection Districts from FY 2013 to FY 2015



Source: OCA, based on data provided by Development Services Department/Code Enforcement Division.

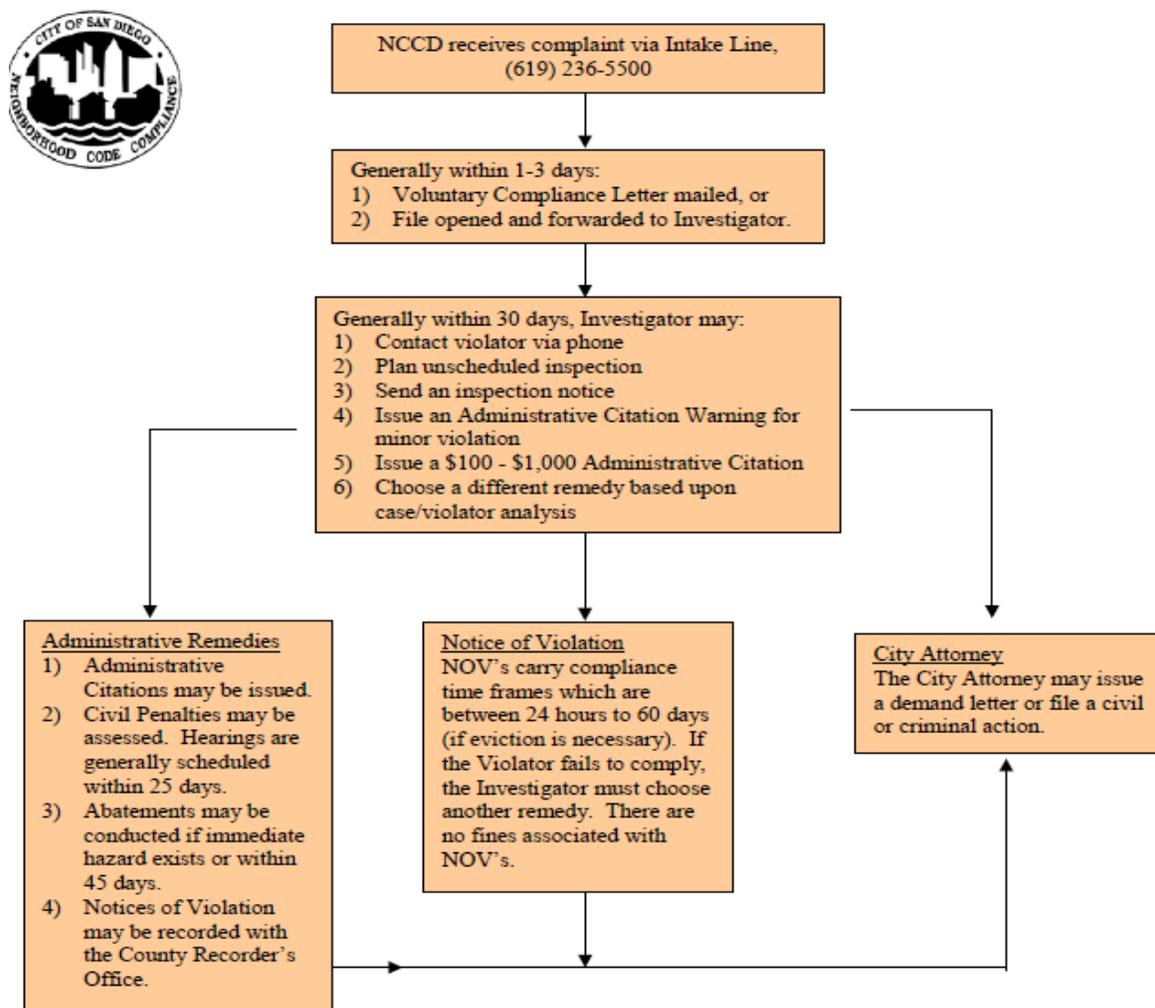
**Code Enforcement
Staff Processes
Complaints Referred
by Citizens, Code
Investigators, and
Other Agencies**

CED receives code complaints through online or email submissions, phone calls, walk-in complaints, and City Council (Council) or City department referrals. Complainants must provide identifying information in order for a case to be accepted; however, the division has policies to maintain complainant confidentiality. Four intake staff processes all incoming complaints in a similar manner: logging them first on an investigation request form if not received online, performing property history research, and checking for prior code violations on a property in the last three years.

Intake staff are responsible for assigning the code type and complaint source for each case when they enter case information into DSD's Project Tracking System (PTS), a database used for tracking building permits and code enforcement cases. PTS auto-assigns investigators to a case depending on the violation type and complaint area; however, intake staff or management may manually change the case assignment depending on the circumstances of a case. Once investigators are assigned and notified of a new case, they make a site visit, scheduled or unscheduled, to inspect the property and confirm the presence of a violation. Investigators track cases in PTS by entering actions taken on each case, such as case research, inspections, and fine or penalty issuance. However, investigators also maintain hardcopy files that contain information not available in PTS, such as site photos and copies of fine or penalty notices. Intake staff assists investigators with the general administration of their cases, including setting up hardcopy files, preparing and mailing notices of violation to responsible persons, and filing closed cases. **Exhibit 5** diagrams the overview of the code enforcement process.

Exhibit 5

Overview of the Code Enforcement Process



Source: Code Enforcement Division's procedures manual, 2006.

Investigators Enforce Code Compliance through a Variety of Actions

Every community struggles with code violations such as blight, vacant properties, inadequately fenced pools, uninhabitable living conditions, and unstable structures. Code enforcement investigators provide the first line of defense to address these issues with regard to protecting and enhancing the quality of each community. **Exhibit 6** shows examples of abated properties with prior code violations.

Exhibit 6

Examples of Code Enforcement Violations

Example of an abandoned property, recently abated:



Example of a blighted property with improper vehicle storage:



Source: OCA generated, based on images from a Code Enforcement Division/Development Services Department presentation, dated May 16, 2015.

The SDMC provides investigators with a variety of enforcement remedies such as Administrative Citations, Civil Penalties, Notices of Violation, and civil or criminal actions filed through the Office of the City Attorney as shown in **Exhibit 7**. An Administrative Citation can be issued as a warning, or as a monetary penalty of up to \$1,000 per violation, and should be selected when a monetary fine will most likely motivate the responsible party to resolve the violation. For significant violations, investigators may issue a Civil Penalty Notice and Order that carries a penalty of up to \$2,500 per day per violation. In cases where a property has been designated as a public nuisance⁴, such as an abandoned property, investigators may issue

⁴ San Diego Municipal Code Section 11.0210 defines *public nuisance* as, "any condition caused, maintained or permitted to exist which constitutes a threat to the public's health, safety and welfare or which significantly obstructs, injures or interferes with the reasonable or free use of property in a neighborhood, community or to any considerable number of persons." Pursuant to San Diego Municipal Code section 54.0306, an abandoned property such as vacant lots or structures is considered a public nuisance.

an Abatement Notice and Order directing the property owner or responsible person to clean, secure, and remove conditions creating the public nuisance. Abandoned properties are presumed to be nuisances, because of their negative effects on nearby properties and the residents or users of those properties. Investigators may also mail Administrative Citation Warnings to alleged violators prior to conducting a site visit, especially in cases where violations are minor, easily corrected, and are more likely to result in voluntary compliance. Lastly, investigators may also assess re-inspection fees to recover the cost of multiple inspections.

Exhibit 7

Code Enforcement Investigators May Issue the Following Types of Enforcement Remedies to Compel Code Compliance

Notice of Violation (NOV)	Administrative Citation Warnings	Administrative Citation	Civil Penalties	Notice of Abatement (NOA)	Re-inspection Fee
<p>Issued as a written notice prepared by an enforcement official which informs responsible person of code violations, requires compliance, & contains specific information as required by SDMC.</p> <p>Responsible party may appeal the recording of an NOV to a Hearing Officer.</p>	<p>Issued by enforcement officials for minor SDMC or applicable state code violations which do not create an imminent danger to health and safety.</p> <p>May be issued as a warning for each violation observed on a property.</p> <p>No associated monetary penalty.</p>	<p>Issued by enforcement officials for minor SDMC or applicable state code violations which do not create an imminent danger to health and safety.</p> <p>May be issued for each violation observed on a property. Penalty amounts are \$100, \$250, \$500, \$750 or \$1000.</p> <p>May be appealed to a Hearing Officer.</p>	<p>Issued & assessed by means of a Civil Penalty Notice & Order (CPNO) through an administrative hearing procedure for SDMC &/or state law violations.</p> <p>Penalties assessed up to maximum rate of \$2500 per violation/day with a not-to-exceed amount of \$250K per parcel or structure. Penalties, including the recovery of reasonable administrative costs, are ultimately determined by a Hearing Officer after an Administrative Hearing.</p>	<p>Issued by enforcement officials to responsible person for any condition caused, maintained or permitted to exist in violation of SDMC or state codes which constitutes a public nuisance.</p> <p>Responsible party may appeal NOA.</p> <p>All reasonable costs are recoverable in addition to abatement penalty (which is assessed as a lien).</p> <p>Penalties assessed up to maximum rate of \$2500 per violation/day with a not-to-exceed amount of \$200K per parcel or structure.</p>	<p>May be issued by Enforcement Officials when re-inspecting a property to determine compliance with applicable SDMC & state codes which have been listed in a (previously issued) NOV.</p> <p>Re-inspection fee schedule established in accordance with Council Policy. Current fee is \$269-288 depending on violation type.</p>

Source: San Diego Municipal Code.

Code Enforcement Division Budget The significant budget adjustments for FY 2016 were the addition of Zoning and Building Investigators for substandard housing code enforcement and medical marijuana enforcement. This addition was largely offset by the transfer of non-personnel expenses associated with graffiti removal to the Transportation & Storm Water Department. The majority of CED’s budget, shown in **Exhibit 8**, is for personnel expenditures that support 52 investigator positions, as well as administrative staff, supervisors, managers, and the Deputy Director, bringing total current staffing to 70 FTE.

Department Expenditures and Personnel

Exhibit 8

Code Enforcement Division Expenditures and Personnel, FY 2013-FY 2016

	FY 2013 (Actual)	FY 2014 (Actual)	FY 2015 (Budget)	FY 2016 (Budget)
Expenditures	\$6,427,082	\$6,301,975	\$7,011,989	\$6,991,059
Personnel *	59.00	57.00	63.00	70.00

* Budgeted Positions.

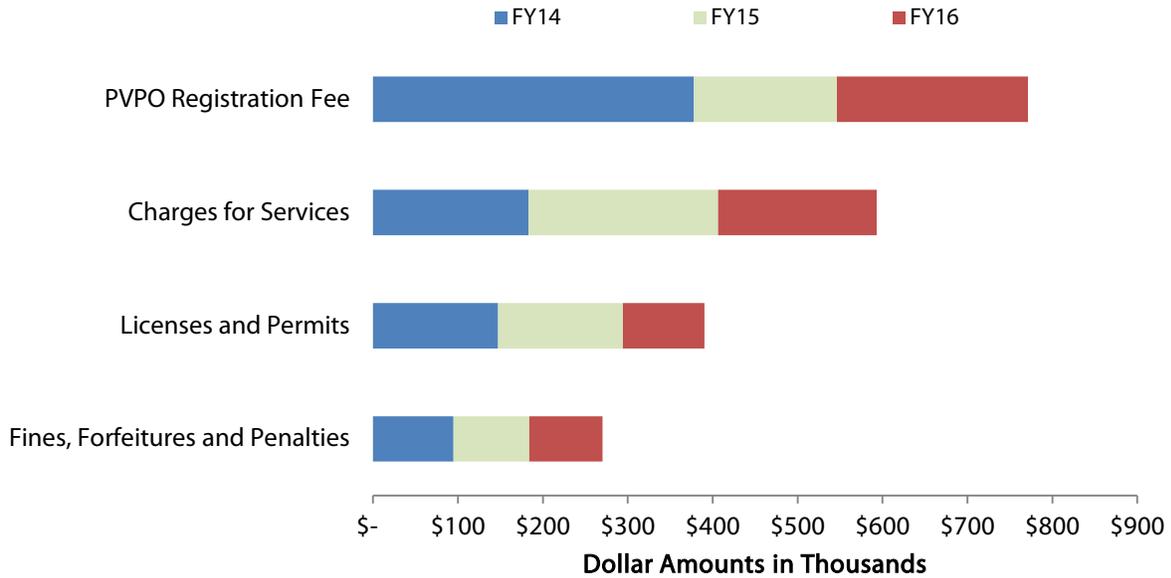
Source: City of San Diego budget.

Collections of Fines, Fees, and Penalties While funded primarily with General Fund revenue, CED also generates revenue from charges for current services, fines, fees, penalties, licenses, and permits. For FY 2016, the projected amount of \$596,000 in revenue collected comprised approximately 9 percent of CED’s expenditures. As shown below, the Property Value and Protection Ordinance (PVPO) registration fees contribute significant revenues to the CED. The PVPO, passed by Council in December 2012, requires lenders who issue a notice of default or foreclosure on residential properties to register current contact information with the City so that code enforcement officials can track, inspect, and monitor these properties, and easily identify and contact the responsible party if the property lacks maintenance or security. Fines, forfeitures and penalties, which includes Administrative Citations and Civil Penalties, will contribute one percent of expenses in FY 2016 with a projected amount of \$86,500. **Exhibit 9** shows a breakdown of CED’s revenue sources over the last three fiscal year period (FY 2014-FY 2016).

Exhibit 9

CED Received the Majority of its Revenues from PVPO Fees and Charges for Current Services from FY 2014-FY 2016

Revenues from Fines, Forfeitures, and Penalties Comprise a Smaller Portion of CED's Overall Revenues.



Source: Code Enforcement Division General Fund Revenues from SAP, FY 2014-FY 2016

CED Has Undergone Significant Changes in Recent Years

CED was formerly its own department prior to joining DSD as a division in FY 2007 as part of the City's push to streamline government operations in the wake of the economic downturn. In the years leading up to and including its transition to DSD, from FY 2005 to FY 2008, CED's senior management staff was reduced by 75 percent⁵, all the while maintaining an average staffing level of 65 employees. Reductions in senior management included the elimination of two program managers who provided an important management component to code enforcement operations, leaving CED with a single deputy director as the only management staff for 68 employees in the beginning of FY 2008. Additionally, in response to the economic downturn, from FY 2009 to FY 2012, CED's staff level declined to 53 employees from a high of 77 in FY 2007. This period also saw the division's transition from its old database management system to PTS as a way to manage code cases.

⁵ Beginning in FY 2005, CED had a total of four senior management staff: one (1) deputy director, two (2) program managers, and one (1) department director. By FY 2008, CED had only one deputy director.

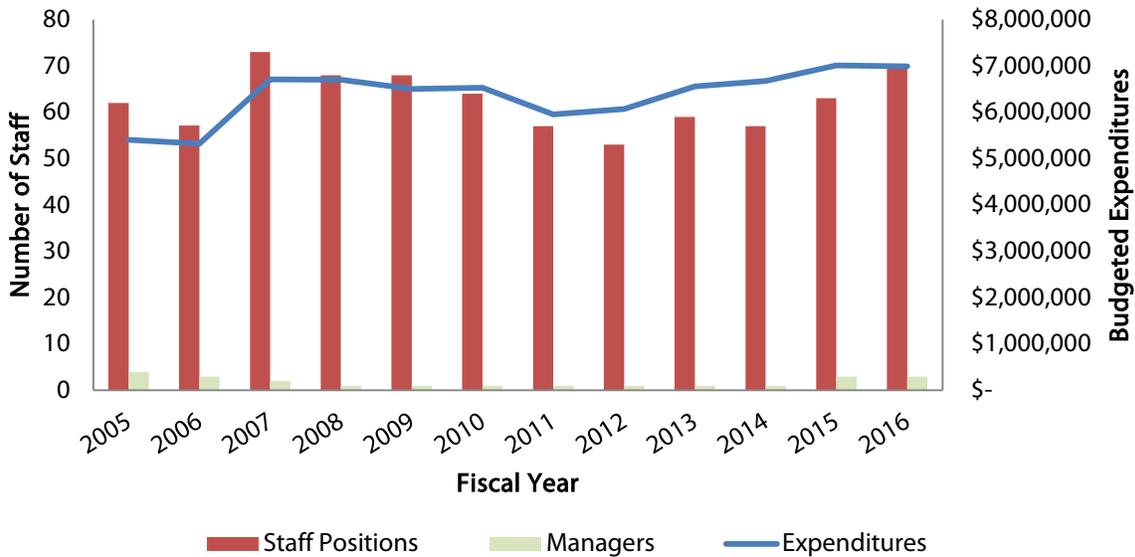
Since FY 2013, CED has been able to increase its staffing levels, including the addition of two program managers, and also completed a division restructuring of investigators into interdisciplinary teams in areas more closely aligned with Council District boundaries. The graffiti team was officially transferred to the Transportation & Storm Water Department (TSWD) in FY 2015 as part of CED's efforts to streamline its operations.⁶ In FY 2015, permit and code enforcement data from PTS became publicly available through OpenDSD, the City's online portal. CED has increasingly become more proactive in the areas of enforcing substandard housing code violations and unpermitted marijuana dispensaries. As part of the City's program to underground overhead electrical wires citywide, CED has partnered with TSWD to enforce the provisions of the SDMC that require property owners to remove non-permitted encroachments and upgrade their panels with permits. The City's most recent budget in FY 2016 has provided CED with an addition of seven employees for a total of 70 staff to increase code enforcement efforts in the areas of substandard housing, medical marijuana, and code compliance support. **Exhibits 10 and 11** show the changes in CED's structure, staffing, and technological expenditures in recent years.

⁶ This was also in response to our *Performance Audit of the Graffiti Control Program*, issued March 2014.

Exhibit 10

Code Enforcement Division (CED) Has Experienced Significant Structural, Staffing and Technological Changes in Recent Years

Prior to 2013, CED experienced a 75% decrease in management positions, as well as declines in staff levels and expenditures. CED has seen growth in these three areas in recent years due to increased public support for the expansion of code enforcement.

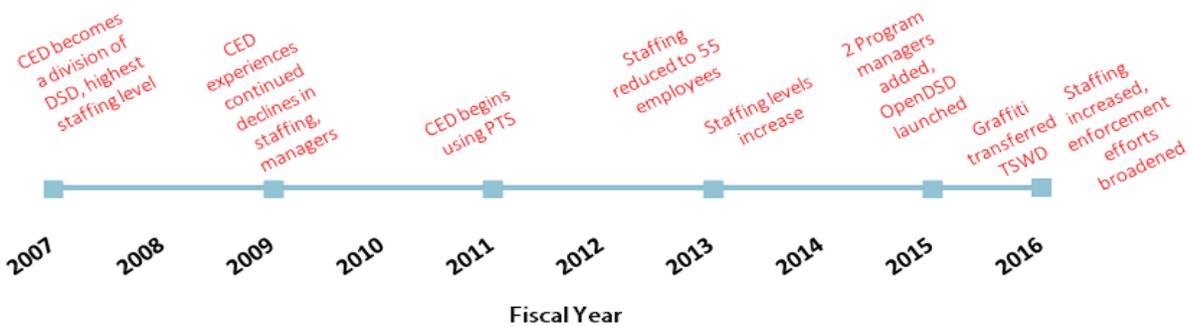


Note: The loss of managers includes CED’s loss of its Department Director, when Code Enforcement became a division of DSD in FY2007. While CED gained a new Department Director in the form of DSD’s Department Director during its transition to DSD, this position is responsible for overseeing all of DSD’s six divisions, and is not solely allocated to CED.

Source: Neighborhood Code Compliance Budgets, FY2004-2007, Development Services Department/Code Enforcement Division Budgets, FY2008-2016

Exhibit 11

CED Changes in Staffing, and Management in the Last 10 Years



Source: Neighborhood Code Compliance Budgets, FY 2004-FY 2007, Development Services Department/Code Enforcement Division Budgets, FY 2008-FY 2016.

Audit Results

Finding #1 Tracking System Modifications and Increased Training and Oversight Are Needed to Reduce Response Times for High-Priority Cases

Code enforcement is essential for safe and healthy living and the protection of property values. Responding to, addressing, and resolving code violations in a timely manner are all imperative to enhancing the quality of life in our local communities.

The Code Enforcement Division (CED) receives a large number and wide variety of code violation complaints from its residents. Similar to other large California jurisdictions that we reviewed, CED has established four priority levels for violations, and has a policy of responding more rapidly to the most serious violations, which immediately threaten health, safety, or environmental quality.

We evaluated a random sample of CED case files to determine whether CED is complying with its policy to rapidly respond to high-priority cases. We found CED only achieves its response time goal of two business days for Priority 1 violations 29 percent of the time, and only meets its response time goal of five business days for Priority 2 violations 59 percent of the time.

Slow responses to high-priority violations that threaten health, safety, and environmental quality are not due to a lack of resources, but rather, a failure to appropriately prioritize them. CED's average response times for high-priority and low-priority cases are nearly identical, which indicates that investigators are not responding to high-priority violations with any greater urgency than lower priority violations.

Delays in the intake process also slow the response to many complaints, regardless of priority. Approximately three out of ten cases we reviewed experienced intake delays of two business days or more between when CED received a complaint and when the case was assigned to an investigator, including several cases that were delayed by more than ten business days.

As a result, violations that have been reported to CED persist longer than necessary – especially high-priority violations that harm the environment or pose an immediate risk to health and safety. Improved tracking system capabilities, as well as additional guidance, training, and oversight are needed to ensure that CED responds to the code violation complaints it receives with appropriate urgency.

CED Is Slow to Respond to Violations That Threaten Health, Safety, or Environmental Quality

Large California jurisdictions, including San Diego, have limited resources to respond to the many code violation complaints they receive. Therefore, while all code violations have a negative impact on surrounding residents and businesses, some violations pose an immediate threat to health, safety, or environmental quality, and should be prioritized and responded to as quickly as possible. Similar to other large California jurisdictions we reviewed, CED has a policy of prioritizing these cases, with a response-time goal of two business days for imminent hazards such as unstable structures, unfenced pools, and illegal grading of coastal bluffs (Priority 1 cases), and five business days for other serious issues such as building or electrical violations (Priority 2 cases).⁷ Lower-priority cases, such as unpermitted signage, should be responded to as staffing allows – there is no specific response time goal.

To evaluate whether CED is appropriately prioritizing its response to complaints of imminent hazards and meeting response-time goals, we reviewed case files⁸ for a random sample of 93 complaints CED received between July 1, 2012 and April 26, 2015,⁹ and found that CED is only meeting its two business day response time goal for Priority 1 cases approximately 29 percent of the time, and is only achieving its five business day response time goal for Priority 2 cases 59 percent of the time. In contrast, other jurisdictions reported meeting their response time goals for violations posing an immediate hazard much more frequently. For example, the City of Los Angeles reported meeting its 24-hour response time goal for Priority 1 cases 100 percent of the time in recent years, despite significant staffing cuts.

A lack of resources is not causing CED to miss response time goals for high priority violations. Rather, further analysis of our sample indicates that response time goals for high-priority violations are not being met because investigators are not prioritizing their response to these cases over other, lower-priority cases they receive. In our sample, CED's average response times for Priority 1 and Priority 2 cases were both 11 business days – nearly identical to the response time for lower-priority cases,¹⁰ and in the case of Priority 1 violations, more than five times longer than the two business day

⁷ See the Background section of this report for a complete listing of violation types and priorities.

⁸ CED uses DSD's Project Tracking System (PTS) to track investigator activity on each case, including inspection dates. We found this data to be unreliable for calculating several metrics, including response times. This issue is discussed in greater detail later in this report.

⁹ Our sample included (24) Priority 1 cases, (39) Priority 2 cases, (10) Priority 3 cases, and (20) Priority 4 cases.

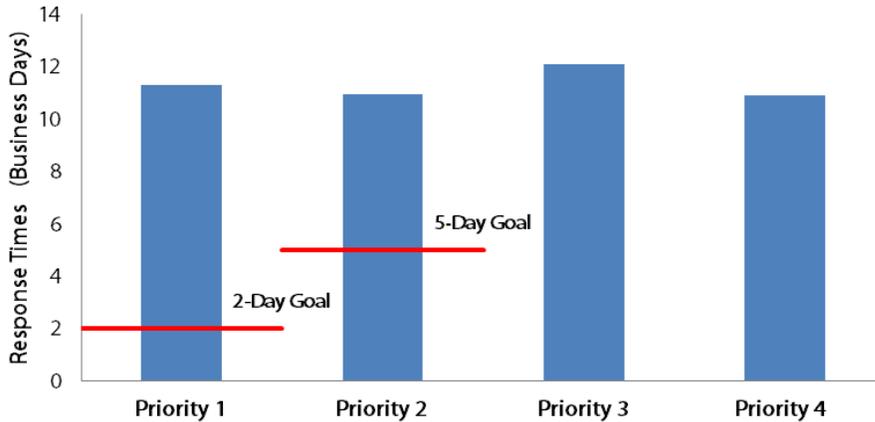
¹⁰ In addition to comparing average response times for each case priority level, we used our sampling results to conduct a statistical test called ANOVA to evaluate whether average response times for each case priority are identical. These tests verified that, with 95% confidence, there is no statistically significant difference in response times between Priority 1 cases, Priority 2 cases, and lower-priority cases.

target. As a result, violations that pose an immediate risk to health and safety, or harm the environment, persist longer than necessary. These results are summarized in **Exhibit 12**.

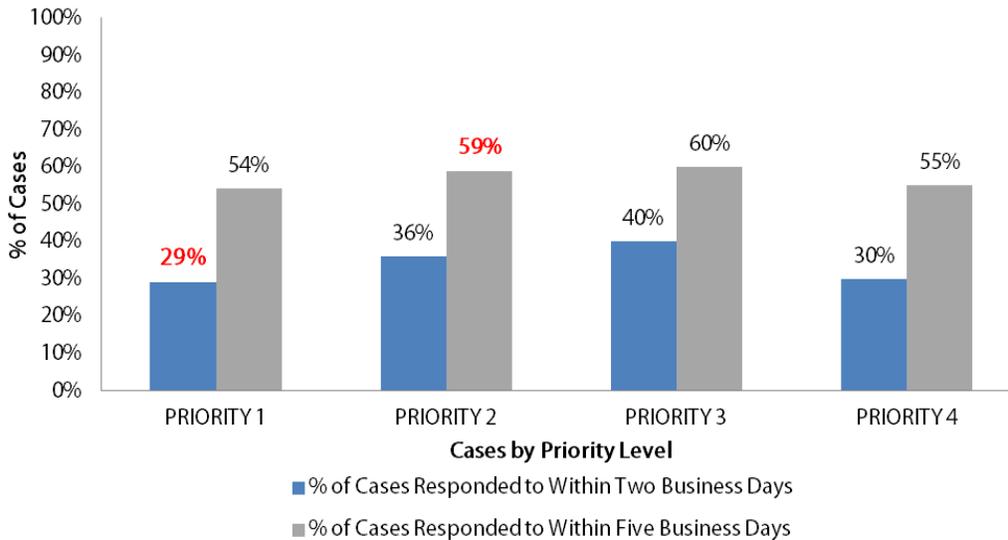
Exhibit 12

Code Enforcement Division (CED) Has Not Met Its Response Time Goals for High Priority Cases

CED's targeted response time goals for priority 1 and priority 2 violations are two and five business days, respectively. **We found that CED responds to both high and low priority violations in an average of approximately 11 business days, indicating that violations are not appropriately prioritized.**



CED responded to **only 29 percent of Priority 1 cases** within two business days, and **only 59 percent of Priority 2 cases** within five business days. Similar percentages of lower-priority cases were responded to within these timeframes, which indicates that investigators do not respond to high-priority cases with greater urgency than lower-priority cases.



Source: OCA analysis of a random sample of Code Enforcement Division case files.

Our review indicates that improvements in tracking system capabilities, training, and oversight of investigators are needed to improve CED's response to high-priority cases, as summarized in the following sections.

The Project Tracking System Does Not Track Case Priorities, and Assigns Response Time Goals of 25 Business Days for All Cases

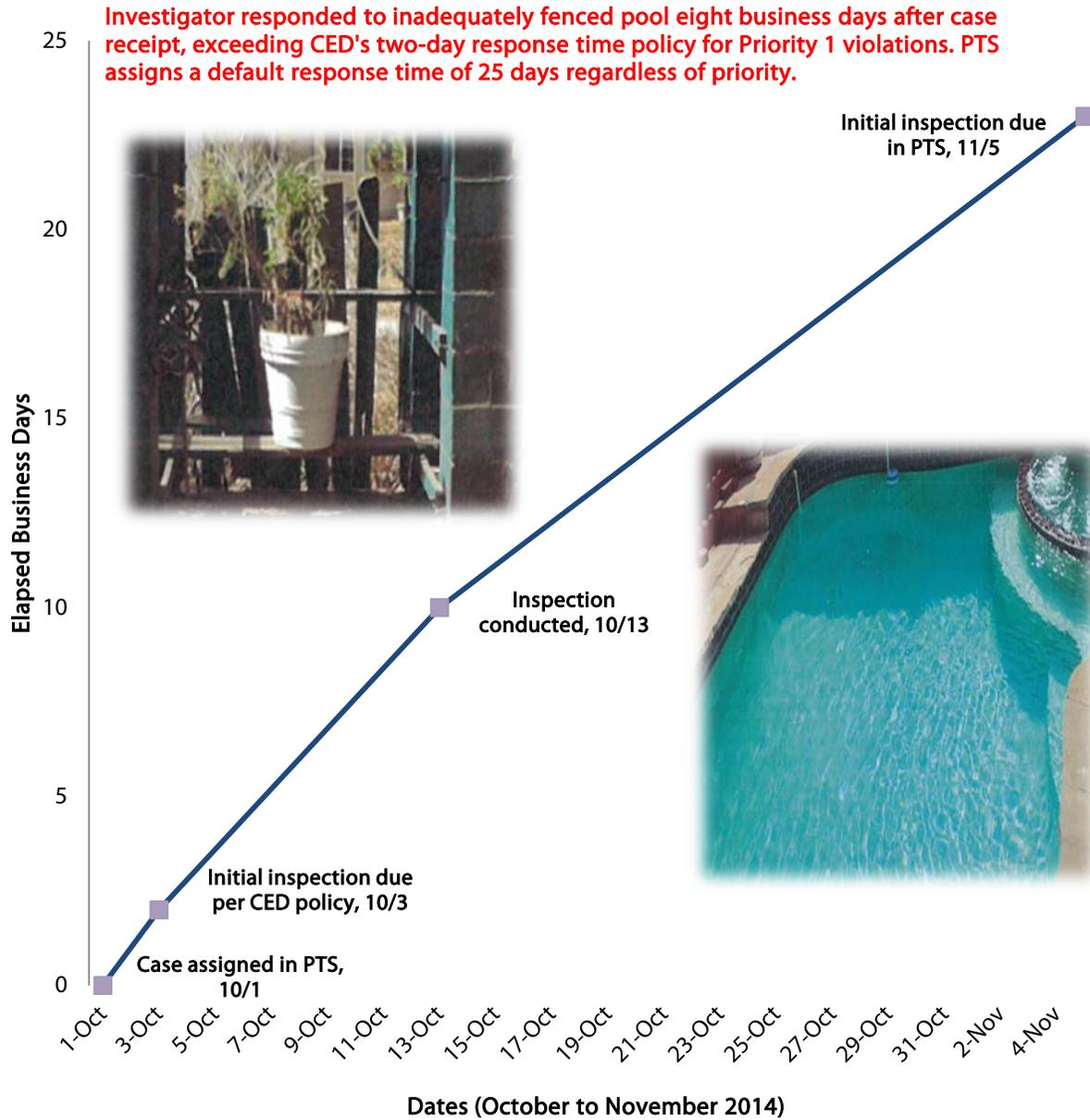
CED investigators use the Project Tracking System (PTS) to manage their caseload and track case activity. PTS tracks each case as a series of "investigator actions," including the initial inspection. Supervisors monitor investigators' performance in completing each action by its due date, and each investigator has a PTS "inbox" that identifies when investigator actions are coming due. See **Appendix C** for an example of PTS' investigator inbox.

However, while CED has an established goal of responding to Priority 1 cases within two business days and Priority 2 cases within five business days, we found that PTS does not track the priority of each case, and assigns a default of 25 business days for investigators to respond to all violation complaints, including 15 business days to conduct initial case research and another ten business days to conduct an inspection. As a result, investigators appear to respond to all violations with the same urgency, regardless of case priority.

For example, in 2014 CED received a complaint from a resident about broken and missing boards in a neighbor's fence, which could allow children to access the neighbor's pool from the street. This is considered a Priority 1 violation due to the risk of a child drowning, and an inspection should have been conducted within two business days. However, although an investigator was assigned to the case on October 1, 2014, an inspection was not conducted until October 13, 2014 – eight business days later. While this inspection was six business days late under CED's prioritization policy, it was 17 business days early according to PTS' case tracking. This case study is summarized in **Exhibit 13**.

Exhibit 13

Project Tracking System (PTS) Assigns the Same Inspection Due Dates for High- and Low-Priority Cases



Source: OCA, based on Code Enforcement Division’s Procedures Manual, PTS system documentation, and CED case files.

In order to ensure that investigators respond to high-priority cases with appropriate urgency, DSD should modify PTS to tag Priority 1 cases and assign response times of two business days, and tag Priority 2 cases and assign response times of five business days, consistent with CED policy.

Increased Training, Oversight, and Reporting Capabilities Are Also Needed to Improve Response Times for High-Priority Violations

We found that several other factors also contribute to CED's slow response times for high priority cases. We interviewed CED managers, supervisors, and investigators, and found that although managers and supervisors believed investigators knew which cases should be prioritized, some investigators' knowledge of CED's case priorities appeared to vary. This indicates that improved staff training is needed to ensure that investigators are aware of CED's prioritization policy, and respond to high priority violations with the appropriate urgency. In addition, managers and supervisors have limited data to monitor response times because PTS does not track case priorities, and does not produce comprehensive response time reports. Instead, to monitor response times, managers and supervisors would need to look up each case individually in PTS – a task which is not practical given CED's current load of approximately 2,600 open cases. As a result, we found that the response for approximately one in 10 cases lagged beyond PTS' already-lengthy 25 day response setting – including Priority 1 and 2 cases. For example, one Priority 1 case we reviewed, which involved a retaining wall at risk of collapsing onto the adjacent sidewalk, was not responded to for 42 business days. This case is highlighted in **Exhibit 14**.

Exhibit 14

An Investigator Took 42 Business Days to Respond to a Hazardous Retaining Wall

In a **Priority 1** case involving a hazardous retaining wall, the investigator did not respond for



Source: OCA, based on Code Enforcement Division case files.

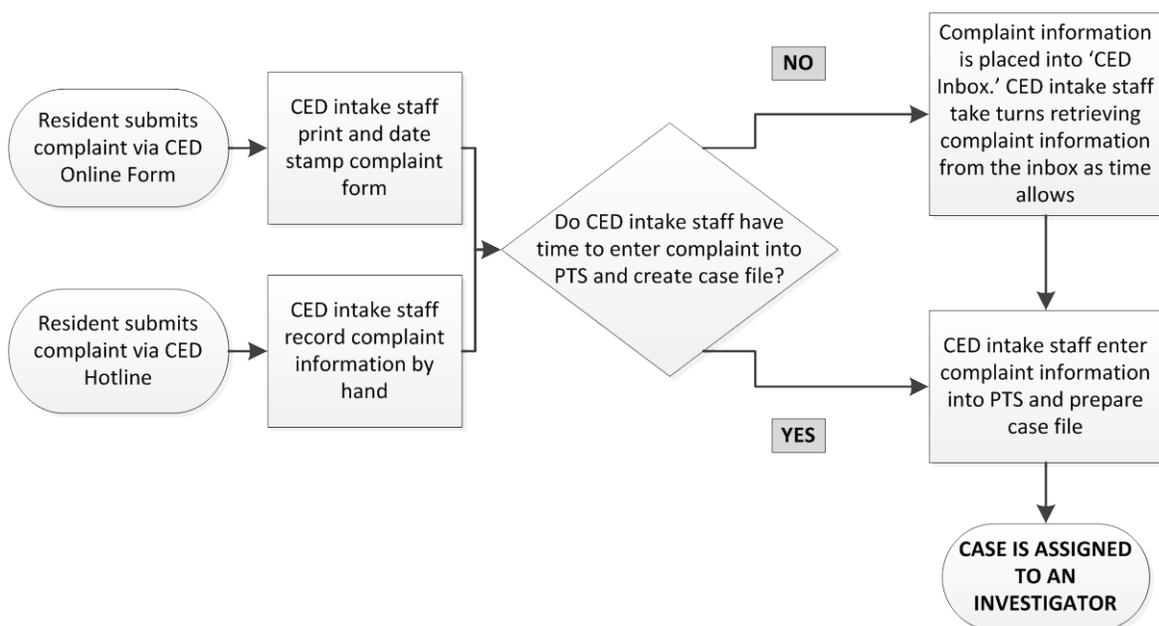
In order to ensure that cases involving violations which pose an immediate risk to health, safety, or environmental quality are appropriately prioritized and responded to in accordance with CED's two- and five- business day response time policy, we recommend that DSD and CED:

- Recommendation #1** Configure PTS to: a) assign and track the priority of each case; and b) assign initial inspection due dates based on case priority. (Priority 1)
- Recommendation #2** CED should configure PTS to generate adequate management reports to track CED performance in meeting initial response time goals. This should include reports on response times by case priority and assigned investigator. If configuring PTS to produce these reports is not feasible, CED should establish a more efficient interim process for monitoring and reporting performance in meeting response time goals, to be used until PTS is replaced. (Priority 1)
- Recommendation #3** Ensure that all investigators are trained to ensure they are aware of response time goals. (Priority 1)
- Recommendation #4** Revise policies and procedures to establish managers' and supervisors' responsibilities for reviewing investigator response times. (Priority 1)

**Delays in the Intake
Process Slow CED's
Response to All
Complaints**

Because the majority of CED's cases result from complaints submitted by residents, a quick and reliable intake process is essential to ensure that investigators receive information on potential violations as quickly as possible. While the issues described above slow CED's response to high-priority violations, we also found that significant delays in the intake process increase response times for all violations, regardless of priority.

CED currently has four staff that performs a variety of administrative tasks, including complaint intake. These complaints are primarily submitted via CED's online complaint form or phone hotline, and intake staff then enters the complaint information into PTS to create a case, which is automatically assigned to an investigator based on the type and location of the violation. Intake staff also performs basic research to verify address locations and generates property detail reports, and places this information in the case file for the investigator. If staff are too busy to enter the complaint information and prepare the case file when the complaint is received, the complaint information is printed (for complaints submitted online) or written down (for complaints submitted by phone), and placed in the "complaint inbox," where it should be retrieved and entered into PTS once intake staff are available. See **Exhibit 15** for a diagram of CED's intake process.

Exhibit 15**Code Enforcement Division Violation Complaint Intake Process**

Source: OCA, based on interviews with Code Enforcement Division intake staff and observations of the intake process.

Approximately One in Four Cases Experience an Intake Delay of Two Business Days or More

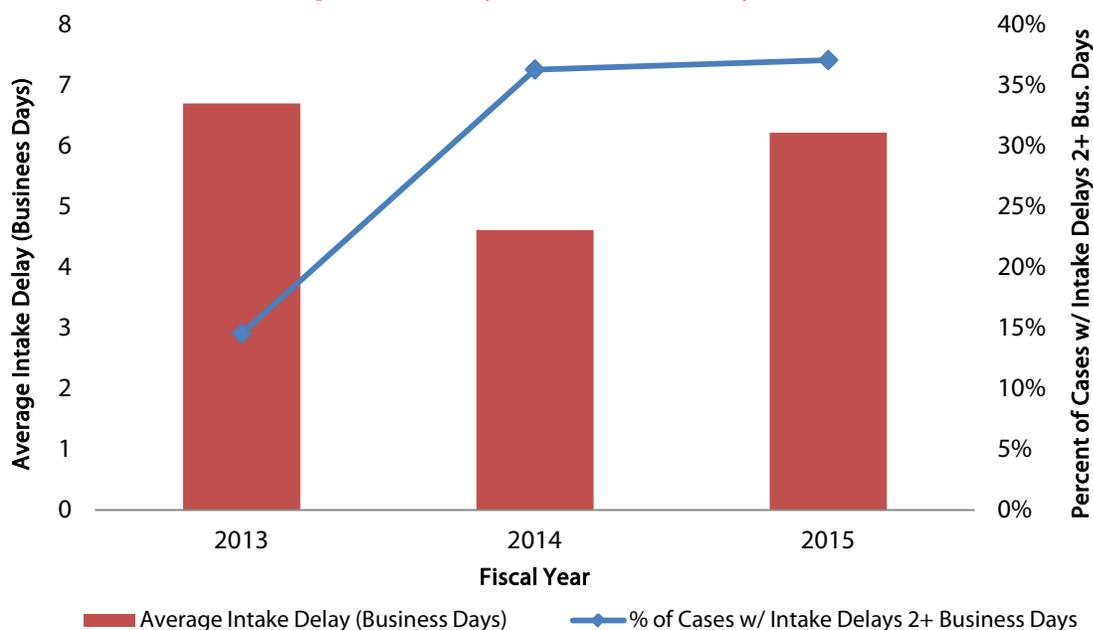
We reviewed a random sample of 127 cases submitted to CED between July 1, 2012 and April 26, 2015, and found that 36 of the complaints (28 percent) were not entered into PTS and assigned to an investigator for at least two business days after they were submitted by a resident – including 15 cases (12 percent) that were not entered for at least five business days.¹¹ These significant delays affected both high- and low-priority violations, which slowed CED’s response to the violation complaints it received. These delays are especially important for Priority 1 cases that should be responded to within two business days. **Exhibit 16** summarizes the intake delays we found.

¹¹ Many case files did not contain documentation indicating the date the complaint was originally submitted to CED. Therefore, the actual percentage of cases in our sample that experienced intake delays of two business days or more may be even higher.

Exhibit 16

Summary of Cases That Experienced Intake Delays of Two or More Business Days

Overall, approximately three in 10 cases experienced intake delays of two days or more from FY 2013 to FY 2015. Of those cases that experienced intake delays of two days or more, the average intake delay was six business days.



Source: OCA, based on analysis of a random sample of 127 Code Enforcement Division cases.

CED managers and administrative staff provided several explanations for intake delays, including staffing shortages, high workloads, and competing administrative priorities such as processing Public Records Act requests. According to CED, action has recently been taken to correct these issues, which may improve the reliability of the intake process.

However, as shown above, delays have continued through FY 2015, and appear to have become more frequent over time. Furthermore, the issues cited by CED should not cause the significant intake delays we found, which were often five business days or longer. Instead, after reviewing case file documentation and the intake procedures manual, as well as observing the intake process, we found that intake delays appear to primarily result from confusion over responsibilities for certain aspects of the intake process. Specifically, CED’s current intake procedures manual addresses how to input complaint information into PTS and create a case file – but it does not assign responsibility for performing this task. Instead, CED intake staff have created ad hoc processes for entering online complaint submissions and handwritten complaints into PTS, which do not appear to be adhered to

consistently. Additionally, CED has not established processes and responsibilities for supervisors to monitor the intake process and ensure that complaints are entered into PTS in a timely manner.

We identified two specific areas where this lack of documented procedures causes delays in the intake process. First, when a complaint is submitted via CED's online reporting form, the completed form is sent via email to a general CED email account. Administrative staff periodically checks the email account for new complaints, which are printed, entered into PTS, and placed in the case file. However, multiple staff have access to this email account, and there is no documentation establishing responsibility for checking the account and ensuring all complaints have been entered. As a result, some complaints may be overlooked when a staff member assumes that a complaint has been printed and entered into the system previously, when it actually has not. This could also result in complaints being lost and never entered into PTS – which would not be reflected in our sample because it was selected using PTS data.

We also found that staff does not appear to consistently check the "complaint inbox," where handwritten or printed complaints are placed when staff do not have time to enter them into PTS and create the case file. According to CED's intake supervisor, staff should take turns checking this inbox and entering the complaints into PTS so they can be assigned to an investigator. However, responsibility for checking the inbox is not documented, and our review indicates that complaint information can remain in this inbox for days or weeks before being entered into PTS and assigned to an investigator. This appears to be the most common cause of delays in the intake process. **Exhibit 17** highlights a complaint which appears to have been left in the complaint inbox for 12 business days before being entered into PTS and assigned to an investigator.

Exhibit 17

Case Study: Complaint Was Not Entered Into PTS and Assigned to an Investigator Until 12 Business Days After Receipt

1) Complaint was submitted via CED's online complaint form on Friday, September 12, 2014

2) Complaint was printed and placed in CED's intake inbox on Monday, September 15, 2014

3) Complaint was not retrieved from the intake inbox, entered into PTS, and assigned to an investigator until Wednesday, October 1, 2014 (12 business day delay)

DATE-10-1-14
By-PR
Intake# 200254
T.B. Map* 1250-D4

Sent: [Redacted]
To: Friday, September 12, 2014 2:46 PM
Subject: DSD NCC-CodeEnf Request For Investigation Form.

Submitted on Friday, September 12, 2014 at 14:45:37

investigation_type: Bldg Code Enf

violation_property_address: [Redacted]

violation_property_zipcode: [Redacted]

violation_property_cross_street: [Redacted]

violation_property_contact_name: [Redacted]

violation_property_contact_type: Owner

violation_property_contact_address: [Redacted]

violation_property_contact_city: San Diego

violation_property_contact_state: CA

violation_property_contact_zipcode: [Redacted]

alleged_violation: Residence's pool isn't properly fenced. Several small children live close by aged as young as 3 years old. They can easily gain access to the pool through the broken fence. Vector Control left a notice regarding the green pool; Owner has not responded.

RECEIVED
SEP 15 2014
BY: [Redacted]

Note: Some information has been redacted from this form to protect the identities of the complainant, the party responsible for the violation, and City staff.

Source: OCA analysis of Code Enforcement Division case file.

In order to eliminate delays and improve the reliability of the intake process for code violation complaints, we recommend:

Recommendation #5 CED should revise its Intake Procedures Manual to establish the following:

- Procedures and staff responsibilities for monitoring CED's online complaint intake account and CED's complaint inbox, and entering complaints into PTS; and
- Procedures for supervisors and managers to monitor and periodically audit the intake process to ensure that complaints are entered into PTS and assigned to an investigator in a timely manner. (Priority 1)

Finding #2 Increased Consistency When Issuing Fines, Penalties, and Warnings Will Improve the Efficiency, Effectiveness, and Fairness of Code Enforcement Efforts

While voluntary compliance¹² is the primary goal of the Code Enforcement Division (CED), in cases of repeated violations or extended noncompliance, the consistent issuance of fines and penalties improves the efficiency and effectiveness of code enforcement efforts. Appropriate use of fines and penalties in these circumstances can help ensure that violations are corrected more quickly and deter future violations, which reduces the City resources needed to achieve and maintain compliance and improves the quality of life in our communities. However, we found that CED investigators have more discretion and autonomy than those in most other jurisdictions we reviewed, and do not always issue fines and penalties at appropriate times in the enforcement process.

Even though approximately one-third of CED's caseload occurs on properties that have had multiple violations in the past several years,¹³ our review found that only four percent of cases result in a fine or penalty. In addition, re-inspection fees, which should be charged on the third and subsequent inspections, are very rarely assessed. As a result, repeat offenders and other parties who do not act in good faith to bring their properties into compliance may not have adequate incentive to correct and prevent violations on their property, which harms neighborhood quality and wastes City resources that are used repetitively responding to these violations. CED should revise its enforcement procedures to establish a specific framework for issuing fines and penalties, and require supervisor approval for any deviations.

¹² Voluntary compliance is defined as achieving compliance without assessing any fines or penalties.

¹³ We reviewed PTS data on 12,189 cases opened by CED between July 1, 2012 and May 21, 2015.

Voluntary Compliance Is CED’s Primary Goal, but Fines and Penalties Should Be Consistently Issued to Repeat Violators and Others Who Do Not Act in Good Faith to Correct Violations

Many parties that are responsible for violations are unaware that a violation exists, and most are cooperative and act quickly to correct the violation once contacted by CED. In addition, some parties may lack the resources or ability to correct a violation immediately, but still act in good faith to come into compliance. When working with parties that act quickly and in good faith, assessing fines and penalties is unnecessary to achieve compliance. For this reason, CED’s primary goal is to gain “voluntary compliance,” whereby the responsible party brings their property into compliance without being assessed fines and penalties.

While most responsible parties act quickly and in good faith to correct violations, some are uncooperative, and repeatedly violate applicable codes or take an excessive amount of time to correct violations. In these situations, warnings are unlikely to be effective, and appropriate fines and penalties should be consistently assessed to achieve compliance more quickly, deter future violations, and reduce the City resources expended.¹⁴ Furthermore, consistency in issuing fines and penalties is fair to both the responsible party, who is penalized similarly to other individuals, as well as the complainant and surrounding neighborhood.

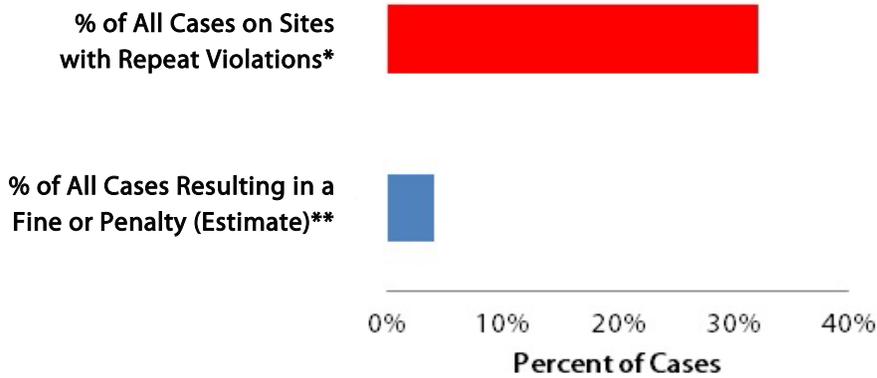
Fines and Penalties Are Not Consistently Issued to Repeat Violators and Others Who Resist Compliance

We found that investigators do not always issue fines and penalties when appropriate, such as when the responsible party has repeatedly violated applicable codes. Because PTS data is not reliable for determining whether fines and penalties were assessed, we reviewed a random sample of 127 CED cases and found that only four percent of cases resulted in a fine or penalty. However, according to PTS data, 32 percent of CED’s caseload is on properties that have multiple violations reported within our study period, which was less than three years. While not all of these violation complaints may have been substantiated, the fact that only four percent of cases result in a fine or penalty indicates that fines and penalties are not always assessed when appropriate. These results are summarized in **Exhibit 18**.

¹⁴ In addition, according to CED and the Office of the City Attorney (City Attorney), some severe violations may be immediately referred to the City Attorney for legal action, even if the responsible party is cooperative and it is the first violation on the property.

Exhibit 18

Many Properties Have Received Multiple Violations, but Few Cases Result in Fines or Penalties



* Based on PTS data for all cases opened from FY 2013-FY 2015.

**Based on OCA analysis of a random sample of 127 CED cases.

Source: OCA, based on PTS data and a random sample of CED cases.

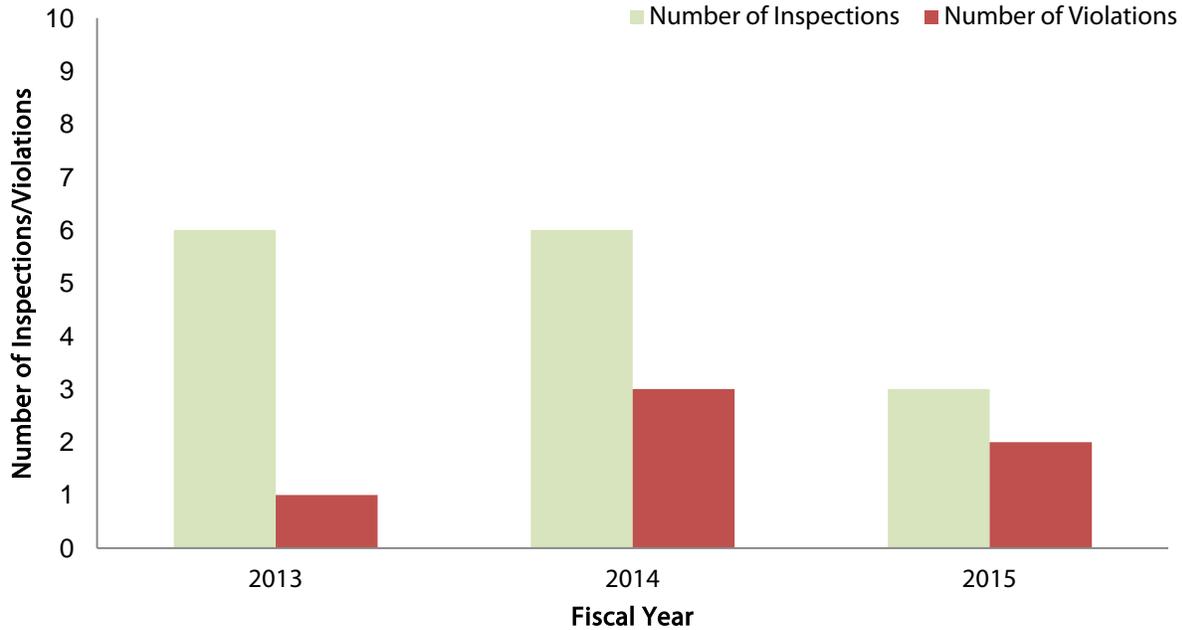
For example, we identified a small commercial strip property in which CED investigated and substantiated six violation complaints from FY 2013-FY 2015. In total, CED conducted 15 inspections on the property to investigate these violations, costing the City approximately \$4,185,¹⁵ but the only fine or penalty assessed was a single Administrative Citation for \$500. Notably, that fine was not assessed until the fifth inspection was conducted for that particular violation case. The cases on this property are summarized in **Exhibit 19**.

¹⁵ As discussed later in this section, CED has established re-inspection fees of \$269 to \$288 (average \$279), which are based on CED’s estimate of the cost of each inspection. At an average of \$279 per inspection, the City’s cost for 18 inspections was approximately \$4,185. Re-inspection fees were not charged for any of the cases on this property.

Exhibit 19

Case Study: Code Enforcement Division Has Investigated 10 Violations on a Small Commercial Property Between FY 2013 and FY 2015

Six violations on the same property occurring from FY 2013-FY 2015 have resulted in **15 inspections** but only **one fine assessment**.



Source: OCA, based on CED case files.

Re-Inspection Fees Are Not Assessed in Accordance With CED Policy

We also found that CED investigators very rarely assess re-inspection fees, which range from \$269 to \$288 depending on the type of violation. According to CED’s Procedures Manual, re-inspection fees should be assessed on the third and subsequent inspections. However, in our random sample of 127 cases, we found that 24 (19 percent) required three or more inspections; re-inspection fees were not issued in any of these cases.

As a result, CED is missing opportunities to encourage compliance and deter future violations, as well as recover excessive City enforcement costs for repetitive inspections. CED received nearly 13,000 cases from FY 2013 to FY 2015 – based on our random sample, a re-inspection fee should have been charged in approximately 19 percent of cases, and total charges would have been approximately \$670,000. Instead, CED revenue data indicates that only about \$19,000 was collected from re-inspection fees during this time period. These results are summarized in **Exhibit 20**.

Exhibit 20

Nearly \$670,000 in Re-Inspection Fees Was Warranted From FY 2013 to FY 2015, but Only \$19,000 Was Actually Collected

Total CED Cases, FY 2014-FY 2015	Estimated % of Cases Where a Re-Inspection Fee Should be Charged	Estimated # of Cases Where a Re-Inspection Fee Should Be Charged	Estimated Total Charges (Based on Avg. of \$279/ Re-Inspection Fee)	Actual Revenue Received from Re-Inspection Fees, FY 2013-FY 2015
12,613	19%	2,397	\$668,763	\$19,374

Source: OCA, based on analysis of PTS data and a random sample of CED cases, as well as CED financial records.

CED Should Develop a More Systematic Process to Improve Consistency Issuing Fines and Penalties

We found that these inconsistencies in issuing fines, penalties, and re-inspection fees result from CED investigators’ high degree of discretion and autonomy, relative to other jurisdictions we reviewed. While CED’s Procedures Manual states that re-inspection fees should be assessed beginning with the third inspection, the manual only provides general descriptions of when Administrative Citations and Civil Penalty Notices could be issued, and does not outline the specific circumstances when fines or penalties should be used. For example, the manual states that “Administrative Citations should be issued when the monetary motivation will most likely resolve the violation . . . (and) may be issued with or without a warning.” However, the manual does not identify how many inspections to conduct before issuing an Administrative Citation. Furthermore, the manual does not establish a process and responsibility for supervisors to review whether investigators are charging fines, penalties, and re-inspection fees at appropriate times.

We interviewed code enforcement managers from several other large California jurisdictions, as well as two code enforcement experts, who told us that a high degree of investigator discretion is likely to lead to inconsistent use of fines and penalties in appropriate situations. This is further indicated by CED’s very low rate of cost recovery from fines and penalties relative to other jurisdictions. Most jurisdictions we reviewed typically reported that revenue from fines and penalties amounted to approximately 30 percent or more of total code enforcement expenses. For example, the City of Santa Ana’s code enforcement budget is approximately \$856,000, of which \$252,000 (29 percent) is recovered from fines and penalties. In contrast, CED, with an FY 2015 budget of approximately \$7 million, only recovered \$89,000 (slightly more than one percent) of its costs through fines and penalties.

Instead, the efficiency, effectiveness, and fairness of code enforcement efforts can be improved by establishing a systematic framework defining when fines and penalties should be issued, and requiring supervisor review if an investigator decides that exceptions and extensions of time should be granted.

This framework can be tailored to the specific needs of the City of San Diego. According to the City of Los Angeles Code Enforcement Bureau, they begin issuing fines and penalties after the first inspection if a violation is present. Officials with the Cities of Riverside and Santa Ana stated they do not begin issuing fines and penalties until a second inspection finds the violation still present. Other jurisdictions may not begin issuing fines and penalties until the third inspection or more. While the aggressiveness of each of these frameworks varies, they promote consistency in the process, which maximizes the efficiency, effectiveness, and fairness of code enforcement efforts.

In order to improve the efficiency, effectiveness, and fairness of code enforcement efforts, we recommend:

Recommendation #6 The Code Enforcement Division should revise its Procedures Manual to establish a systematic framework for assessing fines, penalties, and re-inspection fees. This framework should:

- Identify specific points in the code enforcement process where fines and penalties should be assessed. These points may vary by violation type, whether there have been multiple violations on the property, and/or whether a health and safety risk is present;
- Establish responsibilities and processes for supervisors to review and monitor investigators' adherence to the framework; and
- Provide for exceptions to be made in appropriate circumstances with supervisor approval. (Priority 2)

Finding #3 Resources Expended on Some Lower-Priority Violations Can Be Reduced

We found that the Code Enforcement Division (CED) can improve the efficiency of the enforcement process for some lower-priority violations that do not require an immediate response by mailing Administrative Citation Warnings (ACWs) more consistently, prior to conducting an initial inspection. We interviewed code enforcement officials from other jurisdictions, as well as two code enforcement experts, who told us that when used for lower-priority, easy-to-correct violations, a mailed ACW can result in a similar compliance rate as conducting an initial inspection, but at a lower cost. Similarly, our review of a random sample of 127 CED cases found that when mailed ACWs are used in appropriate circumstances, fewer inspections are needed to gain compliance, and the time needed to achieve compliance is similar for cases where an inspection was conducted. However, while CED procedures allow investigators to send ACWs in lieu of conducting an initial inspection, the circumstances in which mailing an ACW are appropriate are not specifically defined, and investigators do not consistently use this tool. CED should revise its procedures to specifically define instances in which an ACW should be mailed prior to an initial inspection.

Mailing an Administrative Citation Warning Prior to an Initial Inspection Can Save CED Resources for Some Lower-Priority Violations

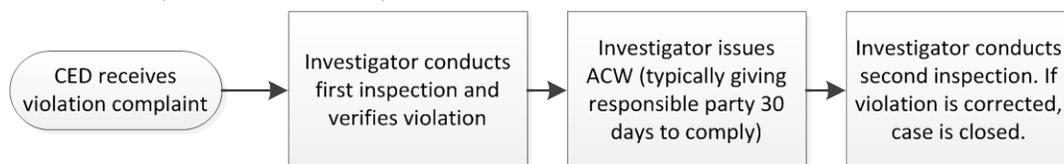
For most violations, the first step in the code enforcement process is to conduct an inspection. If a violation is found, the investigator will issue an ACW, give the responsible party time to correct the violation, and then conduct a second inspection to verify that compliance has been achieved. However, many of the jurisdictions we reviewed, including CED,¹⁶ send ACWs for some low-priority, easy-to-correct violations prior to conducting a first inspection. Sending an ACW prior to conducting an inspection gives the responsible party time to correct minor violations. The investigator then inspects the property. If no violation is found, the case can be closed after the first inspection, whereas for cases where an inspection is conducted right away, two inspections are typically required. This is shown in **Exhibit 21**.

¹⁶ CED's Procedures Manual actually instructs investigators to send 'Voluntary Compliance Letters.' However, CED management told us that for the past several years, they have instructed investigators to send ACWs instead because they believe they are a more effective tool.

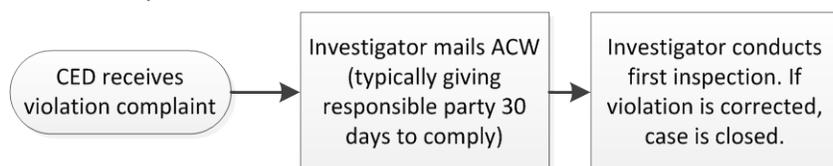
Exhibit 21

Mailing an Administrative Citation Warning Prior to Conducting an Inspection Can Save Code Enforcement Division Resources

Most cases require at least two inspections to resolve:



Many low-priority, easy-to-correct violations can be resolved with only one inspection, if an ACW is sent prior to the initial inspection:



Source: OCA, based on interviews of CED managers and staff, code enforcement managers in other jurisdictions, and code enforcement experts

By reducing the number of inspections needed to resolve a case, sending an ACW prior to conducting an inspection increases CED’s efficiency. According to CED, its re-inspection fees are based on the estimated average cost of an inspection, which is approximately \$279.¹⁷ CED last estimated the cost of mailing an ACW at \$52 in 2004 – the equivalent of \$66 today.

In addition, when used in appropriate circumstances, sending an ACW in advance of an inspection does not reduce the effectiveness of code enforcement efforts. We interviewed code enforcement officials from other jurisdictions, as well as two code enforcement experts, who told us that when used for low-priority, easy-to-correct violations, a mailed ACW can result in a similar compliance rate as conducting an initial inspection. Because Project Tracking System (PTS) data is not reliable for determining whether an ACW was sent prior to the initial inspection, we tested this by reviewing a random sample of 127 cases CED received between July 1, 2012 and April 26, 2015. Of the 30 Priority 4 cases in our sample, seven included an ACW¹⁸ sent prior to the first inspection, and required an average of 1.0

¹⁷ CED’s re-inspection fee is \$269 to \$288, depending on the type of violation. For the purposes of this analysis, we used an average of \$279.

¹⁸ We found that inspectors may send either a ‘Request for Inspection Notice’ (RFI) or an ACW. However, the RFI and ACW have a similar intent and communicate similar information – that a violation has been reported, an inspection will be conducted, and fines and penalties may be assessed if the inspection verifies that a violation exists.

inspections to close. The remaining 23 cases where a letter was not sent prior to the first inspection required 2.4 inspections to close. In addition, the total amount of time needed to close these cases was relatively similar – cases that did not receive an ACW prior to a first inspection required an average of 65 days to close, and cases that received an ACW in advance of the first inspection required 77 days to close. Given the estimated average costs of \$66 to send an ACW, and \$279 to conduct an inspection, cases where an ACW was sent prior to the first inspection were resolved at approximately 49 percent less cost than those where an inspection was conducted first, as shown in **Exhibit 22**.

Exhibit 22

The City Incurred Fewer Costs to Resolve Priority 4 Cases When an Administrative Citation Warning Was Sent Prior to the First Inspection

	Cost of Sending ACW	Average # of Inspections (Average Cost: \$279 per Inspection)	Average Total Inspection Cost	TOTAL CASE COST (ACW AND INSPECTIONS)
ACW Not Sent Prior to 1st Inspection	N/A	2.4	\$670	\$670
ACW Sent Prior to 1st Inspection	\$66	1.0	\$279	\$345
COST SAVINGS FROM SENDING ACW PRIOR TO 1ST INSPECTION				\$325 (49%)

Note: This analysis is based on costs to send ACWs and conduct inspections only. There may be other costs that are not reflected, such as staff time for case intake and initial research. However, these other costs should be similar regardless of whether an ACW is sent prior to the first inspection.

Source: OCA analysis of CED case files.

CED Investigators Do Not Appear to Utilize Mailed ACWs Consistently to Reduce Inspection Costs

While sending an ACW prior to the first inspection reduces the City’s enforcement costs for lower-priority cases, we found that CED investigators may not use this tool consistently where appropriate. Our conclusion is based on several observations. As noted above, the investigator sent an ACW prior to the first inspection for only seven (23 percent) of the 30 Priority 4 cases in our sample. While sending an ACW prior to the first inspection may not be appropriate for all Priority 4 violations, we also found that CED’s Procedures Manual has not been updated since CED began sending ACWs prior to the first inspection, and does not specify the types of violations and specific situations in which an ACW should be sent. Furthermore, likely as a result of the lack of a documented procedure, investigators provided differing opinions on when ACWs should be sent prior to the first inspection – including investigators who said they should not be used at all.

In order to ensure that ACWs are consistently sent prior to the first inspection in circumstances where they will improve the efficiency of CED's response to lower-priority violations, we recommend:

Recommendation #7 CED should update its Procedures Manual to specify the types of violations and specific situations in which an ACW or equivalent notice should be sent prior to the first inspection. The Procedures Manual should also establish responsibilities and processes for supervisors to monitor and ensure investigators are sending ACWs or equivalent notices prior to the first inspection in appropriate circumstances. (Priority 2)

Finding #4 Performance Reports Used by CED Management, Policymakers, and the Public Are Inaccurate, and Do Not Measure Important Metrics Including Response Times and Average Time to Achieve Compliance

Establishing a system of comprehensive performance measures and targets is a critical component of effective program management. Performance measurement allows managers to monitor program operations and benchmark this against past program performance and performance reported by other jurisdictions, as well as program goals. Furthermore, performance measurement improves accountability by providing policymakers and the public the ability to measure a program's efficiency, as well as its effectiveness in achieving its mission.

Currently, the Code Enforcement Division's (CED) only performance measure is "Percent of Investigator Actions Completed On-Time."¹⁹ This measure is intended to provide an overall look at investigators' performance in completing tasks, such as case research, inspections, Administrative Citation issuance, and preparing case information for legal proceedings, etc., within specified timeframes. However, we found that Project Tracking System (PTS) data is not reliable for determining whether tasks were completed on-time, and in addition, the current methodology used by CED to report this metric inaccurately portrays CED's performance. Improved data entry protocols, a revised measurement methodology, and additional training and oversight are needed to improve the accuracy and reliability of this performance metric.

Furthermore, we found that while "Percent of Investigator Actions Completed On-Time" is a useful metric, it does not capture critical aspects of program performance, including response times and the amount of time required to achieve compliance. CED should adopt and publicly report on additional performance metrics that measure initial response times and the time required to achieve compliance, which are important measures of whether CED is achieving its mission. Because these metrics are widely used by other local governments, this will also allow CED to benchmark its performance against peer jurisdictions.

¹⁹ CED refers to this metric as "Percent of Code Enforcement Cases Meeting Required Action Deadlines."

CED’s Current Performance Measure is “Percent of Investigator Actions Completed On-Time”

CED uses PTS to track each case as a series of “Investigator Actions,” such as initial case research, inspections, and compliance periods (time granted for the property owner to come into compliance). Each action has a default time frame for completion; for example, the first action for each case is “Case Opened – Inspection Prep,” and PTS assigns a default of 15 business days for completion. Once each action is completed, the investigator should mark it as completed in PTS, which time stamps the completion date. The investigator continues to select new actions and complete them until the case is closed.

Currently, CED’s only performance metric is “Percent of Investigator Actions Completed On-Time.” This measure is intended to provide an overall look at investigators’ performance in completing these tasks within specified timeframes. **Exhibit 23** shows CED’s reported performance from FY 2013- FY 2015 according to this measure.

Exhibit 23

Approximately 83 Percent of Investigator Actions Were Completed On-Time from FY 2013 to FY 2015

FY 2013	FY 2014	FY 2015	AVERAGE: FY 2013-FY 2015
95%	77%	76%	83%

Source: OCA, based on performance results reported by Code Enforcement Division.

PTS Data Is Not Reliable for Monitoring Whether Investigators Are Completing Tasks On-Time

Although CED uses PTS data to calculate this performance metric, we reviewed PTS investigator action data for a random sample of 47 cases submitted to CED between FY 2013 and May 2015 by comparing PTS data to case file records, and found that PTS data is not reliable for performing this calculation.

Specifically, we found that approximately one-third of investigator actions performed by investigators were never entered into PTS. In addition, the action completion date in PTS only matched the actual action completion date 19 percent of the time. CED managers were largely aware that PTS data may not be accurate, and our interviews with staff indicate that guidance may not be sufficient to ensure that data is complete and accurate. CED’s Procedures Manual has not been updated since 2006, prior to when CED began using PTS in FY 2011, and does not include protocols for entering data into PTS. In addition to causing problems with performance measurement, managers told us that this has also reduced CED’s ability to effectively monitor and evaluate staff performance.

CED's Methodology for Calculating the Percentage of Investigator Actions Completed On-Time Inadvertently Overstates CED's Actual Performance

In most cases where the action completion date in PTS did not match the actual completion date, the date in PTS was later than the actual completion date. This is likely because investigators spend a large portion of their time in the field performing inspections, and may not have time to enter case status information into PTS on a daily basis. Therefore, using action completion dates in PTS could *understate* CED's performance, because some actions that were completed on-time may not be recorded in PTS and time-stamped until after their due date.

According to CED, when staff began using PTS in FY 2011, the system was not configured to produce reports that calculate which investigator actions are completed on-time. Instead, an alternative, interim process²⁰ was developed whereby managers and supervisors must calculate these statistics by hand at the beginning of each month, and only calculate the percentage of cases where the current investigator action is not yet due at that point in time. For example, if a case had an action initiated on March 25 that was due on April 10 and was not completed in PTS until April 25 (at which time a new action was opened), it would have been counted as on-time in both the April and May performance reports, even though the case is actually behind schedule. Essentially, because this report is a snapshot in time, it counts cases where the current action is "not yet overdue" as "on-time" – even if the action is subsequently completed late.

We found that this interim methodology inadvertently results in overstating CED's performance, as demonstrated below in **Exhibit 24**. In our random sample of 47 cases, we found that 67 percent of the 103 investigator actions were completed on-time according to case file records;²¹ however, CED's reports indicated that an average of 83 percent of investigator actions were completed on-time between FY 2013 and FY 2015 using their current reporting methodology.

²⁰ According to CED, this process was developed as an interim process to be used until PTS is replaced.

²¹ We estimate with 90 percent confidence that the actual percentage of CED's investigator actions that were completed on-time from FY 2013 to FY 2015 is between 59 percent and 75 percent.

Exhibit 24

Code Enforcement Division’s (CED) Methodology for Calculating the Percent of Investigator Actions Completed On-Time Inaccurately Portrays CED’s Performance

DATE	EVENT
March 25	Case opened – “Initial Case Research” Action assigned, due April 10
April 1	<i>“Initial Case Research” Action not yet overdue – counted as “on-time” in CED monthly performance reporting</i>
April 10	“Initial Case Research” Action due date
April 25	“Initial Case Research” Action completed 15 days late. “Inspection” Action opened, due May 5
May 1	<i>“Inspection” Action not yet overdue – counted as “on-time” in CED monthly performance reporting</i>
May 5	“Inspection” Action due date
May 25	“Inspection” Action completed 20 days late. “Compliance Period” Action opened, due June 25
June 1	<i>“Compliance Period” Action not yet overdue – counted as “on-time” in CED monthly performance reporting</i>

In this example, the first two Investigator Actions were completed significantly late, but would be counted as on-time based on CED’s current performance reporting methodology.

Source: OCA, based on analysis of Code Enforcement Division’s methodology for calculating the “Percent of Investigator Actions Completed On-Time” metric.

In order to ensure that CED managers, policymakers, and the public have the most accurate performance information, we recommend that CED:

Recommendation #8 Establish policies and procedures for: a) staff to input investigator action data into PTS; and b) supervisors and managers to periodically review and verify the accuracy of investigator action entries into PTS (Priority 2).

Recommendation #9 Revise the methodology used for the “% of Code Enforcement Cases Meeting Action Deadlines” metric to ensure accuracy. For example, CED could use actual completion dates in PTS to calculate this metric, and build a buffer into the calculation to allow investigators time to enter investigator action data into PTS once they are completed. If it is not feasible to correct the methodology and report on this metric, CED should discontinue the use of this metric, and should monitor and report on additional performance metrics per Recommendations #10 and #11. (Priority 2)

CED Should Track and Report Additional Performance Metrics Including Response Times and Average Time to Achieve Compliance

While “Percent of Investigator Actions Completed On-Time” can be a useful performance metric if calculated correctly, it alone does not capture the most important aspects of program performance. We found that other large jurisdictions commonly use two other performance metrics. The first of these metrics is the average time to achieve compliance. For example, in FY 2011, the International City/County Management Association collected statistics on “Average Calendar Days to Voluntary Compliance” and “Average Calendar Days to Forced Compliance” from 167 jurisdictions, including 38 jurisdictions with populations of 100,000 or more. Because achieving compliance is the end goal of the code enforcement process, these are important measures that also capture whether investigators are using appropriate techniques to gain compliance quickly. Notably, CED used a similar performance metric – “Percentage of Cases Resolved Within Six Months” – until FY 2001.

In addition, other large jurisdictions we reviewed commonly track and report on response times – either as an average response time for each case priority, or the percentage of cases where response time goals were met. Responding quickly to violation complaints is important to accelerate compliance, and is especially important for high-priority cases where health, safety, and environmental quality are threatened. The average response time and rate at which response time goals are met are important measures of how quickly a jurisdiction can deploy investigators and how effectively it prioritizes its caseload. For example, as mentioned in Finding 1, the City of Los Angeles reported that it was able to meet its 24-hour response time goal for Priority 1 cases 100 percent of the time.

Another benefit of adopting more commonly-used performance metrics is that it will give CED the ability to benchmark its performance against peer jurisdictions.

In order to improve accountability and ensure that CED managers, policymakers, and the public have the most appropriate information to monitor CED's performance, we recommend that CED:

Recommendation #10 Revise performance metrics to include measures of response times and time to achieve compliance, including:

- a) Percentage of initial inspections completed on time or average response time, by case priority;
- b) Average days to achieve voluntary compliance, or percentage of cases achieving voluntary compliance within a specified timeframe; and
- c) Average days to achieve forced compliance, or percentage of cases achieving forced compliance within a specified timeframe. (Priority 2)

Recommendation #11 Configure PTS to generate reports on these metrics for CED managers, elected officials, and the public. If configuring PTS to produce these reports is not feasible, CED should develop a more efficient alternative process for calculating and reporting on these metrics, to be used until PTS is replaced. (Priority 2)

Finding #5 CED Needs a Replacement System for PTS That Is Specifically Designed for Code Enforcement Use

While the aforementioned Project Tracking System (PTS) upgrades are necessary to improve Code Enforcement Division (CED) case management in the short-term, CED ultimately needs to replace PTS with a system that is adapted specifically for code enforcement purposes and meets modern code enforcement needs. In recognition of this need, the San Diego City Council, in September 2015, authorized the Development Services Department's (DSD) request to purchase Accela, a widely-used permitting and code enforcement case management system. Incorporating CED management's feedback and our recommendations below in the configuration of Accela, is critical to creating a highly efficient case management system and code enforcement program.

PTS Lacks the Functionality of a Modern Code Enforcement System

CED began using PTS in FY 2011 when DSD added the code enforcement module to PTS in an effort to combine permitting and code enforcement into one database management system. While the system contains useful information regarding land use, permits and the permitting process, its limited capabilities impedes the efficient management of code enforcement cases. For example, PTS does not automatically prioritize cases, produce performance reports, allow for mobile access, and store case documents such as photographs. The absence of the capacity to store case documents has kept CED heavily reliant on hardcopy case files, increasing the chance of PTS errors and omissions as well as misplaced or missing files. A more robust code enforcement database can address these concerns.

A new system with the ability to prioritize code complaints will allow investigators to respond to high-priority complaints within the division's required timeframes, therefore minimizing imminent threats to the health and safety of others. Currently, CED does not track cases by priority and response time; however, using information gathered from case files, we found that investigators respond to cases of all four priority levels within an average of approximately 11 days. With a system that prioritizes complaints, CED management will be able to track the number of cases that are meeting required response times by priority for any given time period and to adjust resources accordingly. According to the City of Los Angeles' Code Enforcement Bureau, system prioritization has allowed the Bureau to meet its 24-hour response time for high-priority cases 100 percent of the time, despite significant resource constraints.

Mobile access is another important feature of modern code enforcement systems. Due to PTS' lack of mobile access, investigators must return to their

office to input case information into PTS. In a geographically large city like San Diego, this is time consuming and draws resources away from inspections and other enforcement activities. Kansas City, Missouri, for example, saw a 32 percent increase in the number of inspections completed per day by code enforcement investigators after they received tablet computers. The tablet computers allow the investigators to inspect, research, and update case information in real time while in the field.

Updated technology can also decrease or eliminate CED's reliance on hardcopy files, starting from the intake process. Currently, intake staff prints out online complaint submissions and manually enters this information into PTS. With new technology, online submissions could be automatically uploaded into the system and assigned to investigators. The automation would also reduce delays in the intake process. Additionally, the ability to upload case documents into the system, such as site photographs or notices of violation would further decrease the need for hardcopy files while also creating easier access to case information, onsite and remotely. Indeed, CED's reliance on hardcopy files affected our ability to perform our testing as nearly 15 percent of the files we requested could not be located.

Lastly, a new system should allow for investigators to issue and invoice fines and penalties. The system should also be able to track the number of citations and fines issued and those that have been paid. In our data reliability testing of PTS, we found that investigators did not consistently or accurately record the types of citations issued. Furthermore, when investigators did record the issuance of a citation, PTS does not have a field to document the amount of the fine, an active invoicing feature, and an ability to track the receipt of payments. As a result, using the information in PTS, CED management cannot accurately track the types and number of citations issued, the amount of fines, and the amounts received for cases on an individual or global basis.

In order to ensure that a new system meets modern code enforcement needs, we recommend the following:

Recommendation #12 The Development Services Department’s Code Enforcement Division should actively participate in the configuring of Accela, ensuring that the system includes the following features necessary for efficient code enforcement management:

- a) The capability to assign priorities to each case, and assign initial inspection due dates for high-priority cases.
- b) The capability for Code Enforcement Division management and staff to generate reports for essential performance metrics on-demand, including those listed below. The system should produce reports on these metrics by case priority, investigator, and inspection district.
 - i. Percent of initial inspections completed on time
 - ii. Average days to achieve voluntary compliance
 - iii. Average days to achieve non-voluntary compliance
 - iv. Percent of cases achieving voluntary compliance
- c) Mobile access for investigators, to reduce the need to travel to the Development Services Department to enter case information.
- d) The capability to upload relevant case documentation such as photographs, correspondence, administrative citation and penalty notices, thus eliminating the need for hardcopy files.
- e) The capability to invoice and track administrative citations and penalties. (Priority 1)

Conclusion

We found that improvements in division procedures, system capabilities and performance measurement will increase program effectiveness and reduce response times for high-priority cases. The Code Enforcement Division (CED) receives a large number and wide variety of code violation complaints from City of San Diego residents. Reduced response times for high-priority cases, consistency in issuing fines and penalties, refined performance measurement and tracking system improvements will promote CED's goal of maintaining safe and desirable living and working environments.

Recommendations

- Recommendation #1** Configure PTS to: a) assign and track the priority of each case; and b) assign initial inspection due dates based on case priority. (Priority 1)
- Recommendation #2** CED should configure PTS to generate adequate management reports to track CED performance in meeting initial response time goals. This should include reports on response times by case priority and assigned investigator. If configuring PTS to produce these reports is not feasible, CED should establish a more efficient interim process for monitoring and reporting performance in meeting response time goals, to be used until PTS is replaced. (Priority 1)
- Recommendation #3** Ensure that all investigators are trained to ensure they are aware of response time goals. (Priority 1)
- Recommendation #4** Revise policies and procedures to establish managers' and supervisors' responsibilities for reviewing investigator response times. (Priority 1)
- Recommendation #5** CED should revise its Intake Procedures Manual to establish the following:
- Procedures and staff responsibilities for monitoring CED's online complaint intake account and CED's complaint inbox, and entering complaints into PTS; and
 - Procedures for supervisors and managers to monitor and periodically audit the intake process to ensure that complaints are entered into PTS and assigned to an investigator in a timely manner. (Priority 1)
- Recommendation #6** The Code Enforcement Division should revise its Procedures Manual to establish a systematic framework for assessing fines, penalties, and re-inspection fees. This framework should:
- Identify specific points in the code enforcement process where fines and penalties should be assessed. These points may vary by violation type, whether there have been multiple violations on the property, and/or whether a health and safety risk is present;
 - Establish responsibilities and processes for supervisors to review and monitor investigators' adherence to the framework; and
- Provide for exceptions to be made in appropriate circumstances with supervisor approval. (Priority 2)

Recommendation #7 CED should update its Procedures Manual to specify the types of violations and specific situations in which an ACW or equivalent notice should be sent prior to the first inspection. The Procedures Manual should also establish responsibilities and processes for supervisors to monitor and ensure investigators are sending ACWs or equivalent notices prior to the first inspection in appropriate circumstances. (Priority 2)

Recommendation #8 Establish policies and procedures for: a) staff to input investigator action data into PTS; and b) supervisors and managers to periodically review and verify the accuracy of investigator action entries into PTS (Priority 2).

Recommendation #9 Revise the methodology used for the “% of Code Enforcement Cases Meeting Action Deadlines” metric to ensure accuracy. For example, CED could use actual completion dates in PTS to calculate this metric, and build a buffer into the calculation to allow investigators time to enter investigator action data into PTS once they are completed. If it is not feasible to correct the methodology and report on this metric, CED should discontinue the use of this metric, and should monitor and report on additional performance metrics per Recommendations #10 and #11. (Priority 2)

Recommendation #10 Revise performance metrics to include measures of response times and time to achieve compliance, including:

- a) Percentage of initial inspections completed on time or average response time, by case priority;
- b) Average days to achieve voluntary compliance, or percentage of cases achieving voluntary compliance within a specified timeframe; and
- c) Average days to achieve forced compliance, or percentage of cases achieving forced compliance within a specified timeframe.
(Priority 2)

Recommendation #11 Configure PTS to generate reports on these metrics for CED managers, elected officials, and the public. If configuring PTS to produce these reports is not feasible, CED should develop a more efficient alternative process for calculating and reporting on these metrics, to be used until PTS is replaced.
(Priority 2)

Recommendation #12 The Development Services Department's Code Enforcement Division should actively participate in the configuring of Accela, ensuring that the system includes the following features necessary for efficient code enforcement management:

- a) The capability to assign priorities to each case, and assign initial inspection due dates for high-priority cases.
- b) The capability for Code Enforcement Division management and staff to generate reports for essential performance metrics on-demand, including those listed below. The system should produce reports on these metrics by case priority, investigator, and inspection district.
 - i. Percent of initial inspections completed on time
 - ii. Average days to achieve voluntary compliance
 - iii. Average days to achieve non-voluntary compliance
 - iv. Percent of cases achieving voluntary compliance
- c) Mobile access for investigators, to reduce the need to travel to the Development Services Department to enter case information.
- d) The capability to upload relevant case documentation such as photographs, correspondence, administrative citation and penalty notices, thus eliminating the need for hardcopy files.

The capability to invoice and track administrative citations and penalties.
(Priority 1)

Appendix A: Audit Recommendation Priorities

DEFINITIONS OF PRIORITY 1, 2, AND 3

AUDIT RECOMMENDATIONS

The Office of the City Auditor maintains a priority classification scheme for audit recommendations based on the importance of each recommendation to the City, as described in the table below. While the City Auditor is responsible for providing a priority classification for recommendations, it is the City Administration’s responsibility to establish a target date to implement each recommendation taking into considerations its priority. The City Auditor requests that target dates be included in the Administration’s official response to the audit findings and recommendations.

Priority Class ²²	Description
1	Fraud or serious violations are being committed. Significant fiscal and/or equivalent non-fiscal losses are occurring. Costly and/or detrimental operational inefficiencies are taking place. A significant internal control weakness has been identified.
2	The potential for incurring significant fiscal and/or equivalent non-fiscal losses exists. The potential for costly and/or detrimental operational inefficiencies exists. The potential for strengthening or improving internal controls exists.
3	Operation or administrative process will be improved.

²² The City Auditor is responsible for assigning audit recommendation priority class numbers. A recommendation which clearly fits the description for more than one priority class shall be assigned the higher number.

Appendix B: Objectives, Scope, and Methodology

Objectives In accordance with the City Auditor’s FY 2015 Work Plan, we conducted a performance audit of the Code Enforcement Division (CED) of the Development Services Department (DSD). We evaluated CED data and program information for the period of July 2012 to May 2015, or FY 2013 to FY 2015. Our objectives were as follows:

1. Evaluate whether CED maximizes the efficiency and effectiveness of code enforcement efforts by focusing its resources on high-priority violations that impact health, safety, and/or environmental quality.
2. Evaluate whether CED uses appropriate processes and techniques to maximize the efficiency and effectiveness of code enforcement efforts.
3. Evaluate whether CED uses appropriate metrics to monitor program performance and drive efficient and effective operations.

Scope and Methodology To evaluate whether CED focuses on high-priority violations, we reviewed established CED policies and procedures regarding the prioritization of violations, and interviewed CED managers and staff to determine how policies and procedures for prioritization are applied. We conducted interviews with code enforcement officials in eight cities in California and two code enforcement consultants to understand how other jurisdictions determine and track violation priorities, response times, and performance measures. Additionally, we assessed CED/DSD’s Project Tracking System (PTS) capability to prioritize violations and to report on response times. We conducted data reliability and accuracy testing on PTS by selecting a random sample of 50 cases to evaluate whether hardcopy case information was accurately captured within PTS. Lastly, we used data from PTS and information gathered from the review of 127 hardcopy files to determine response times by violation type and priority, as well as the total number of inspections conducted by violation type and priority.

To evaluate whether CED uses appropriate processes and techniques to maximize efficient and effective code enforcement efforts, we reviewed established CED policies and procedures for conducting inspections and issuing warnings, fines, and penalties. We interviewed CED managers and staff regarding the application of policies and procedures for conducting

inspections and issuing warnings, fines, and penalties. We accompanied code enforcement investigators over several ride-alongs to observe how they conducted their fieldwork in accordance with CED's established policies, procedures, and practices. We interviewed the Deputy City Attorney responsible for code enforcement issues to identify legal requirements and restrictions regarding the issuance of code violations, fees, and penalties. Furthermore, we interviewed code enforcement officials from eight peer jurisdictions in California to identify efficient and effective code enforcement practices for conducting inspections and issuing warnings, fines, and penalties. We evaluated whether CED's use of warnings, fines, and penalties are consistent with efficient and effective practices used by other jurisdictions. To determine the potential for improvement in efficiency and effectiveness, we examined the following specific areas of investigation: 1) Sending warning letters prior to inspections for low-priority violations; 2) Charging re-inspection fees when violations have not been corrected, in accordance with Municipal Code limits; and 3) Improving consistency in the timing and amounts of fines and penalties.

To evaluate whether CED uses appropriate metrics to monitor program performance and drive efficient and effective operations, we reviewed past and currently established CED performance metrics and interviewed CED managers to understand how performance metrics were/are developed, tracked, and monitored. We reviewed current reports used by CED managers to monitor program performance. We interviewed code enforcement officials from eight peer jurisdictions in California and two code enforcement consultants to identify key performance measures to drive efficient and effective operations.

We conducted this performance audit in accordance with generally accepted government auditing standards. These standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on the audit objectives.

Appendix C: Project Tracking System “Investigator Inbox”

The screenshot shows a software window titled 'El Niño V02.03.38'. The interface includes a menu bar (File, Edit, View, Window, Help), a toolbar, and a navigation pane with options like 'My Projects', 'My Reviews', 'My Packages', 'My Inspections', 'Reviewer Assignment', 'Inspection Assignment', 'Inspectors Workload', and 'My Cases'. Below the navigation pane, there are filters for 'Workgroup' (set to 'All') and 'Investigator' (set to a specific name), and an 'Open Date Range' filter (Low: 01/01/1990, High: 09/11/2015). A status bar indicates 'Last month you had 0 cases open'. The main area contains a table with the following data:

Case	Street Address	Action By	Date	Remedy	Investigator Action	Investigator	Voice Phone	Note
108778		Investigator	7/29/2015	DSD Construction Permit	Compliance Period		(619) 236-7706	
227419		Investigator	8/11/2015	Case Opened	Inspection Prep		(619) 236-7706	
225685		Investigator	8/13/2015	Case Opened	Inspection		(619) 236-7706	Rec'd File 07/30/15
226023		Investigator	8/13/2015	Case Opened	Inspection		(619) 236-7706	No response to 2 Inspection Notices. Attempting to call/email PO
226223		Investigator	8/13/2015	Case Opened	Inspection		(619) 236-7706	Rec'd File 07/30/15
226426		Investigator	8/13/2015	Case Opened	Inspection		(619) 236-7706	PO to apply for tree permit
227150		Investigator	8/13/2015	Case Opened	Inspection		(619) 236-7706	Monitoring. Researching plans, business not open yet.
227497		Investigator	8/17/2015	Case Opened	Inspection Prep		(619) 236-7706	
224971		Investigator	8/21/2015	Civil Penalty Notice And Order	Compliance Period		(619) 236-7706	
227588		Investigator	8/21/2015	Case Opened	Inspection Prep		(619) 236-7706	
227634		Investigator	8/26/2015	Case Opened	Inspection Prep		(619) 236-7706	
227682		Investigator	8/27/2015	Case Opened	Inspection Prep		(619) 236-7706	
145368		Investigator	8/28/2015	DSD Construction Permit	Compliance Period		(619) 236-7706	Per PTS, permits in review
221767		Investigator	8/29/2015	DSD Construction Permit	Compliance Period		(619) 236-7706	PO reviewing plans with M Brunette. In Review.
227721		Investigator	8/31/2015	Case Opened	Inspection Prep		(619) 236-7706	
227202		Investigator	9/1/2015	Administrative Citation Warning	Issue		(619) 236-7706	
227735		Investigator	9/1/2015	Case Opened	Inspection Prep		(619) 236-7706	
227769		Investigator	9/2/2015	Case Opened	Inspection Prep		(619) 236-7706	
227407		Investigator	9/10/2015	Administrative Citation Warning	Compliance Period		(619) 236-7706	Issued Admin Warning
227881		Investigator	9/10/2015	Case Opened	Inspection Prep		(619) 236-7706	
227886		Investigator	9/10/2015	Case Opened	Inspection Prep		(619) 236-7706	
227323		Investigator	9/11/2015	Case Opened	Inspection		(619) 236-7706	No yard sale at time of inspection
225465		Investigator	8/11/2015	Case Opened	Inspection		(619) 236-7706	8/6 Tree house removed. Additional time reqn to remove fruit

Source: Code Enforcement Division.



THE CITY OF SAN DIEGO

M E M O R A N D U M

DATE: October 12, 2015

TO: Eduardo Luna, City Auditor

FROM: Robert A. Vacchi, Director, Development Services Department
Via David Graham, Deputy Chief Operating Officer

SUBJECT: Management Response to the Code Enforcement Division Performance Audit

The Development Services Department (DSD) appreciates the work provided by the Office of the City Auditor to identify issues and make recommendations to its code enforcement operations. Responses to the twelve listed recommendations are provided below.

RECOMMENDATION #1:

Configure PTS to: a) assign and track the priority of each case; and b) assign initial inspection due dates based on case priority. (Priority 1)

RESPONSE: Agree. The Code Enforcement Division (CED) of DSD has never had a purpose-built database system capable of producing detailed management reports. The Project Tracking System (PTS) was designed to track discretionary development projects, ministerial construction permits and building permit inspections. PTS is a sophisticated database system, but it was only intended track development permit operations. In 2011, CED lost the ability to use the city's IMSPROD database system. As a stopgap measure, DSD administrative staff developed a rudimentary code enforcement module for CED. This module tracked basic complaint types, enforcement remedies and investigator actions. Neither the prior nor present systems were designed or intended to track cases by priority.

Response to high priority cases has always been within the purview of management and supervisory staff. Beginning with the recession in FY2008, reductions in staff and resources forced CED to emphasize triaging workloads in lieu of concentrating on case priority. That practice, combined with significant staff turnover in the supervisory classes, resulted in the deterioration of response times for high priority cases. CED management concurs with the Auditor's findings that a greater emphasis should be placed on high priority cases. Additions to CED's management structure in FY2015, in conjunction with the replacement of the PTS with

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Accela and its integrated code enforcement tracking system, will enable the CED to make the changes recommended by the Auditor. Interim changes are being made to the PTS to assign and track cases by priority until the new system is in place. **These interim changes should be complete by April 1, 2016**, and will remain in place until the full implementation of Accela.

RECOMMENDATION #2:

CED should configure PTS to generate adequate management reports to track CED performance in meeting initial response time goals. This should include reports on response times by case priority and assigned investigator. If configuring PTS to produce these reports is not feasible, CED should establish a more efficient interim process for monitoring and reporting performance in meeting response time goals, to be used until PTS is replaced. (Priority 1)

RESPONSE: Agree. As mentioned previously, PTS was never intended to be a purpose-built database system for code enforcement but rather has been used as an interim solution for the past three and half years. PTS will continue in this role until the full implementation of a replacement system for project tracking and other uses in DSD is completed. Programming for code enforcement purposes within PTS was purposely rudimentary and expended very little in general fund resources as would be expected for an interim use. Unfortunately, the replacement for PTS was delayed longer than intended which in turn meant CED relied on the interim solution for much longer than intended without the ability to generate detailed management reports.

In response to this recommendation, PTS will be modified to identify cases by enforcement priority. Response time goals will be identified in PTS with appropriate default due dates for inspection. If feasible, monthly management reports will be developed to include the percentage of cases meeting required inspection deadlines, number of cases open for each investigator by inspection district, and number of cases open per Council District. **We anticipate these changes to be complete by April 1, 2016.**

RECOMMENDATION #3:

Ensure that all investigators are trained to ensure they are aware of response time goals. (Priority 1)

RESPONSE: Agree. CED Staff has regular monthly training sessions covering a variety of issues. Trainings take place during regularly scheduled staff meetings. Specialized trainings may take place on an as needed basis or in response to changes in codes or technology. CED's last month's training covered investigative techniques and remedies related to substandard housing conditions. CED managers have instituted refresher training on the proper use of PTS and priority inspections. Additional training will continue to occur as changes to PTS are made and the transition to Accela is complete. **We anticipate training of investigators related to interim PTS changes, made pursuant to Recommendation #1, will be completed by May 1, 2016.**

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RECOMMENDATION #4:

Revise policies and procedures to establish managers' and supervisors' responsibilities for reviewing investigator response times. (Priority 1)

RESPONSE: Agree. The existing policies and procedures manual was last revised in 2006 and is currently undergoing revision. A significant component of the revision includes the clarification of manager and supervisory responsibilities including those for reviewing response times and other performance requirements. **We anticipate the revised policies and procedures manual will be completed by June 1, 2016.**

RECOMMENDATION #5:

CED should revise its Intake Procedures Manual to establish the following:

- **Procedures and staff responsibilities for monitoring CED's online complaint intake account and CED's complaint inbox, and entering complaints into PTS; and**
- **Procedures for supervisors and managers to monitor and periodically audit the intake process to ensure that complaints are entered into PTS and assigned to an investigator in a timely manner. (Priority 1)**

RESPONSE: Agree. As stated in the response to Recommendation #4, the CED policies and procedures manual is already in progress. In addition, CED is the process of hiring an additional staff member to improve supervision of intake staff and other administrative areas. CED is also streamlining intake duties and making the process more efficient. **We anticipate streamlining measures to be completed by March 1, 2016.**

RECOMMENDATION #6:

The Code Enforcement Division should revise its Procedures Manual to establish a systematic framework for assessing fines, penalties, and re-inspection fees. This framework should:

- **Identify specific points in the code enforcement process where fines and penalties should be assessed. These points may vary by violation type, whether there have been multiple violations on the property, and/or whether a health and safety risk is present;**
- **Establish responsibilities and processes for supervisors to review and monitor investigators' adherence to the framework; and**
- **Provide for exceptions to be made in appropriate circumstances with supervisor approval. (Priority 2)**

RESPONSE: Agree. As stated in the response to Recommendation #4, an update to the policies and procedures manual is already in process. A component of the update includes clarifications related to remedies and a general framework describing the types of remedies and

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appropriate circumstances for their use. CED and the Auditor staff agree that allowing for some flexibility in the process is needed to address all circumstances. Policies viewed as inflexible and draconian may damage the overall efforts of code enforcement. Remedies that are used automatically may be subject to reversal by Administrative Hearing Officers if they are issued outside of the context of the facts of the case. Fines and penalties are levied to dissuade violation of the code and compel violators into compliance. The ultimate goal of code enforcement is to bring violators into compliance with city rules and regulations. **We anticipate the revised policies and procedures manual will be completed by June 1, 2016.**

RECOMMENDATION #7:

CED should update its Procedures Manual to specify the types of violations and specific situations in which an ACW or equivalent notice should be sent prior to the first inspection. The Procedures Manual should also establish responsibilities and processes for supervisors to monitor and ensure investigators are sending ACWs or equivalent notices prior to the first inspection in appropriate circumstances. (Priority 2)

RESPONSE: Agree. As stated in the response to Recommendation #4, an update to the policies and procedures manual is already in progress. It should be noted that CED has previously utilized voluntary compliance noticing procedures with limited success. Previous policies were abandoned after they were determined to be ineffective in many cases and often caused delays in compliance. While other code enforcement officials and “experts” have stated to the Auditor’s staff that voluntary compliance correspondence “can” reduce case timeframes, CED’s historic experience has shown that “can” does not always mean “will.”

However, given the auditors demonstration using our own files that show faster results occurred with voluntary compliance correspondence, CED will renew the practice of sending voluntary compliance notifications and evaluate their utility for permanent use. The updated manual will include a policy to issue voluntary compliance notices and provide a framework and guidelines for sending communications to alleged violators seeking voluntary compliance prior to initial inspection. **We anticipate the revised policies and procedures manual will be completed by June 1, 2016.**

RECOMMENDATION #8:

Establish policies and procedures for a) staff to input investigator action data into PTS; and b) supervisors and managers to periodically review and verify the accuracy of investigator action entries into PTS (Priority 2).

RESPONSE: Agree. As stated in the response to Recommendation #4, an update to the policies and procedures manual is already in progress. The update will include written procedures emphasizing the proper selection of investigator actions and data entry. In addition, a

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component of the update includes establishment and clarification of manager and supervisory responsibilities for monitoring and adherence to these guidelines. **We anticipate the revised policies and procedures manual will be completed by June 1, 2016.**

RECOMMENDATION #9:

Revise the methodology used for the ‘% of Code Enforcement Cases Meeting Action Deadlines’ metric to ensure accuracy. For example, CED could use actual completion dates in PTS to calculate this metric, and build a buffer into the calculation to allow investigators time to enter investigator action data into PTS once they are completed. If it is not feasible to correct the methodology and report on this metric, CED should discontinue the use of this metric, and should monitor and report on additional performance metrics per Recommendations #10 and #11. (Priority 2)

RESPONSE: Agree. The performance metric to measure “% of Code Enforcement Cases Meeting Action Deadlines” was intended to be an interim metric to be used with PTS until the replacement project tracking system came online. However, in response to audit findings, we believe that the metric should be discontinued. Until Accela is fully implemented, PTS will be configured to report on “% of Code Enforcement Cases Meeting Priority Response Time Goals” as referenced in Recommendation #1. Upon the full implementation of Accela, all three (3) metrics as described in Recommendations #10 and #11 will be utilized by CED. **We anticipate the revisions to PTS will take place by April 1, 2016.**

RECOMMENDATION #10:

Revise performance metrics to include measures of response times and time to achieve compliance, including:

- a. Percentage of initial inspections completed on time or average response time, by case priority**
- b. Average days to achieve voluntary compliance, or percentage of cases achieving voluntary compliance within a specified timeframe; and**
- c. Average days to achieve forced compliance, or percentage of cases achieving forced compliance within a specified timeframe. (Priority 2)**

RESPONSE: Agree. The metric to measure “% of Code Enforcement Cases Meeting Action Deadlines” will be discontinued. As mentioned in Recommendation #2, the complaint types will be identified by enforcement priority and response time goals will be identified in PTS with appropriate default due dates for inspection. This metric will be used for reporting on an interim basis until Accela is fully functional. It is intended to ultimately establish all three (3) metrics as described in Recommendations #10 and #11 when Accela comes implemented. **We anticipate the revisions to PTS will take place by April 1, 2016.**

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RECOMMENDATION #11:

Configure PTS to generate reports on these metrics for CED managers, elected officials, and the public. If configuring PTS to produce these reports is not feasible, CED should develop a more efficient alternative process for calculating and reporting on these metrics, to be used until PTS is replaced. (Priority 2)

RESPONSE: Agree. As mentioned in Recommendation #2, complaint types will be identified by enforcement priority and response time goals will be identified in PTS with appropriate default due dates for inspection. If feasible, monthly management reports will be developed to include percentage of cases meeting required inspection deadlines, number of cases open for each investigator by inspection district, and number of cases open per Council District. **We anticipate the changes to be complete by April 1, 2016.**

RECOMMENDATION #12:

The Development Services Department's Code Enforcement Division should actively participate in the configuring of Accela, ensuring that the system includes the following features necessary for efficient code enforcement management:

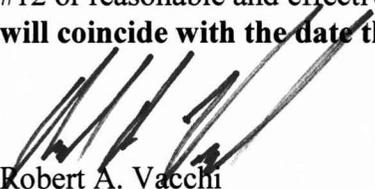
- a. **The capability to assign priorities to each case, and assign initial inspection due dates for high-priority cases.**
- b. **The capability for Code Enforcement Division management and staff to generate reports for essential performance metrics on-demand, including those listed below. The system should produce reports on these metrics by case priority, investigator, and inspection district.**
 1. **Percent of initial inspections completed on time**
 2. **Average days to achieve voluntary compliance**
 3. **Average days to achieve non-voluntary compliance**
 4. **Percent of cases achieving voluntary compliance**
- c. **Mobile access for investigators, to reduce the need to travel to the Development Services Department to enter case information.**
- d. **The capability to upload relevant case documentation such as photographs, correspondence, administrative citation and penalty notices, thus eliminating the need for hardcopy files.**
- e. **The capability to invoice and track administrative citations and penalties. (Priority 1)**

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RESPONSE: Agree. The CED will actively participate in the Accela implementation process. CED's participation will ensure that all of the specific features described in Recommendation #12 or reasonable and effective equivalents will be implemented. **Completion of this response will coincide with the date the Accela system goes live, approximately April 1, 2017.**



Robert A. Vacchi

Development Services Director

cc: Scott Chadwick, Chief Operating Officer
Stacey LoMedico, Assistant Chief Operating Officer
Brian Pepin, Director of Council Affairs
Michael Richmond, Deputy Director, Code Enforcement Division