

2003-2004 SANTA CLARA COUNTY CIVIL GRAND JURY

INQUIRY INTO THE CITY OF PALO ALTO'S CODE ENFORCEMENT PROCESS

Summary

In reviewing the March 2003 audit of the City of Palo Alto's code enforcement program, the 2003-2004 Santa Clara County Civil Grand Jury (Grand Jury) found that the City of Palo Alto had failed to collect two large penalties due to violations of City ordinances. The Grand Jury found that two late fines had not been collected and recommends that they should be collected.

Background and Discussion

As part of its audit responsibilities, the Grand Jury reviewed the March 2003 audit of the City of Palo Alto's code enforcement program. The code enforcement caseload consists of violations of zoning, building, property maintenance, vehicle, fence, sign, and news rack placement ordinances. Code enforcers have several options for enforcing code requirements, including administrative citations, compliance orders, criminal misdemeanor procedures and administrative letters. Code enforcement favors the use of administration letters and compliance orders; the process involves multiple inspections and the preparation of detailed documents.

In the last three years, while 76 percent of Palo Alto property owners complied within 90 days of notification of a problem, others were not so cooperative and some cases were more complicated to resolve. In fact, some cases were undecided for extended periods of time, leaving code violations unresolved, thus impacting the code enforcement officers' workload.

In discussions with the Palo Alto City Auditor, the Grand Jury learned that Palo Alto has mechanisms within its administrative guidelines for penalizing non-compliant property owners. In most cases, after the threat of a penalty, the monies are paid to the City and the case is closed. However, there are two outstanding fines totaling \$129,000 dating back to 2000. These two fines, representing 98% of the value of outstanding liens, have been billed but not collected. The Administrative Services Department has notified the City Attorney of amounts past due. Although these fines are written in the names of two separate companies, the Grand Jury has

been told that one individual controls both companies and is responsible for the entire amount. At the moment, this represents an interest-free loan to this individual of \$129,000.

Finding I

For three years, the City of Palo Alto has not collected two large outstanding fines: \$95,000 and \$34,000.

Recommendation I

The Grand Jury recommends that the City of Palo Alto collect these fines as soon as possible. The City Attorney should immediately determine and take appropriate legal action, including filing liens against real estate properties if the fines are not paid, and should follow up in a timely manner to insure the monies and related fines and/or interest are collected.

PASSED and **ADOPTED** by the Santa Clara County Civil Grand Jury on this 22nd day of January 2004.

Richard H. Woodward
Foreperson

Documents

Palo Alto Code Enforcement Audit, March, 2003.

Palo Alto Policy and Services Committee Meeting Report, March 11, 2003.

Letter from the Palo Alto Auditor to the Civil Grand Jury, dated August 21, 2003.

Palo Alto Audit of the Development Review Process, October, 2003.

Report on the Status of Audit Recommendations, Palo Alto, October 9, 2003.

Interviews

Several telephone conversations with the Palo Alto City Auditor, September through December, 2003