

# **Livable Sustainable Neighborhoods Initiative (LSNI)**

## **6 Month Assessment**

### **Joint Report**

Office of the Chief Operating Officer

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## EXECUTIVE SUMMARY

- i. The Livable Sustainable Neighborhoods Initiative, (“LSNI”), was created in the spring of 2011 by Mayor Pedro E. Segarra. LSNI’s purpose was to manage the enforcement of the anti-blight ordinance and more importantly to engender a new level of accountability within the administrative departments of the City. Since its inception LSNI has been able to increase communication among City departments and increase accountability. Enforcement actions under the Anti-blight Ordinance have been successful. LSNI has been successful in uncovering outdated work processes that have complicated the City’s response to constituent concerns. LSNI has also been successful in creating work processes where none existed prior which have resulted in a quicker response time to constituent concerns.

Part of LSNI’s functions has been to coordinate Health and Human Services (“HHS”), health nuisance enforcement actions with Department of Public Works (“DPW”) clean-up crews. This function included coordinating and tracking the clean-ups conducted by the LSNI clean-city crews. LSNI has additionally generated supporting legislation for the program and other departments to include a towing ordinance for nuisance vehicles, a graffiti ordinance, and an anti-blight special assessment ordinance. LSNI has created an anti-dumping cameras program.

The success of LSNI is most notable in its enforcement of the Anti-blight Ordinance as depicted in the attachments to this report. The shortcomings of LSNI have been its inability to create “buy-in” from other departments to include Development Services, HHS and DPW which is discussed in detail within.

LSNI has developed a work-plan for overcoming the shortcomings of the program and for requiring accountability amongst all of the departments. This work-plan will include the use of the 311 system and a greater use of MUNIS. The implementation deadline is September 1, 2012 and training will occur prior to that “go-live” date.

## **I. What is the Living Sustainable Neighborhoods Initiative?**

### **A. History of LSNI:**

In the spring of 2011, Mayor Pedro E. Segarra created the LSNI program which would be responsible for managing the enforcement of the City of Hartford's Anti-blight Ordinance Sec. 9-91 et seq., of the Municipal Code and strengthening neighborhoods. LSNI's purpose was two-fold; (1) to manage the enforcement of the anti-blight ordinance and more importantly; (2) to engender a new level of accountability within the administrative departments of the City.

Planning and design of the LSNI program began in January of 2011. The Office of the Chief Operating Officer was designated as the managing authority for the program and David B. Panagore, COO reconstituted the previously existing "Problem Properties Committee" as the "Anti-blight Committee". The Anti-blight Committee consisted of the directors of all of the City's Development Services Departments, Fire Department, Police Department, 311, Health and Human Services, and Corporation Counsel. The Anti-blight Committee discussed implementation of the program and how LSNI would coordinate with existing departments to create efficiencies within the departments in order effectuate positive results. From late July through November of 2011, LSNI's policies and procedures began to take shape. The Office of the Corporation Counsel created procedures for the LSNI program to ensure that all LSNI functions were approved as to form and legality.

Functionally LSNI divided the City into four districts, North, South, West and Central. In December 2011, the COO's office hired four LSNI district captains in order to serve each of the LSNI districts of the City. Breyonne Golding captained the West, Gabriel Engeland captained the North, Michael Dunshee captained the Central and Nathalie Pertoso captained the South. Jonas Maciunas was appointed to oversee the district captains as Assistant to the COO. The Licenses and Inspections Division hired four inspectors who would be specifically tasked to LSNI. Training of the LSNI teams began in December 2011 and was overseen by the Corporation Counsel and COO's offices. In early January of 2012, the Department of Public Works hired a clean-city crew consisting of six members who would be specifically tasked to LSNI to respond to clean-up efforts and to be dispatched as needed to clean city-owned properties.

LSNI was implemented in late January 2012.

## **B. LSNI Successes**

The success of LSNI is apparent in its ability to effectively respond to blighted property complaints and in its ability to use its LSNI inspectors and inspectors in other departments to identify blighted properties. The aforementioned data speaks volumes of the efforts of the LSNI inspectors and District Captains. In a short six (6) months from initial roll-out to the current level of operations, the LSNI program has generated a high volume of inspections, abatements, citations and results. LSNI has also produced less measureable results that are nonetheless tangible for the City's residents and neighborhoods. LSNI's influence has reached property-owners who although have not been directly targeted by LSNI through the anti-blight ordinance, have felt pressure to begin work on their properties because they have become aware that the City is serious about enforcement.

LSNI's most successful strategy is a simple one, namely *follow-through!* Nothing has produced more results than the ability of LSNI team members to follow a complaint to ground, from the initial complaint to resolution. The second most successful strategy adopted by LSNI has been notifying lienholders of blighted properties. Though a requirement under state statute since 2006, pursuant to C.G.S. 7-148gg, the City of Hartford had never issued such notices. The result of these notices to lienholders has been that banks, mortgage companies, and other interested parties have begun to protect their interests by abating the blight that exists on these properties or have begun their own enforcement actions against property owners. In effect, the LSNI team has been able to exponentially increase its effectiveness in responding to blight because it has recruited allies in the process.

Please see attachments for further documentation of LSNI successes and work-flow.

## **C. LSNI Shortcomings and Accountability**

Perhaps LSNI's greatest shortcoming has been its failure to engender "buy-in" from existing departments and its initial reliance on these departments.

### **Problems with the Health and Human Services Department**

Though initially designed to coordinate the enforcement of the Anti-blight Ordinance, LSNI took on additional roles such as coordinating the response for health nuisance complaints. Prior to LSNI the City's Health and Human Services department employed two health nuisance inspectors that were tasked with enforcing the State and City health regulations.

In the summer and fall of 2011, attorneys from the Corporation Counsel's Office, Jorge Colon and Dinamary Arvelo, conducted training sessions with health inspectors, Naomi McCoy, Richard Nieves and their supervisor, Otis Pitts, in order to correct serious defects in HHS procedures that were creating legally indefensible work-product. The

work-product included lack of proper documentation for inspections, untimely follow-up inspections, no evidence to substantiate health citations, improper notice to owners, and improper citations being issued to name a few of the procedural failures which were resulting in the City losing many of its citation hearings.

The training session proved successful in Inspector Nieves' case. Nieves took to the revised procedures and showed initiative in developing the procedures alongside the attorneys. Supervisor Pitts welcomed the idea of working cohesively with the new LSNI program to improve his department's results and coordinated training for his inspectors.

Sadly however, Inspector McCoy did not follow the new procedures. At times Ms. McCoy took action without any approval of her supervisors or ignored her immediate supervisor, Otis Pitts and instead presented false information to Health Director Dr. Raul Pino who would approve her actions after the fact. Inspector McCoy's manipulation of her supervisory hierarchy proved effective at stifling all efforts to coordinate operations between LSNI and the health department, namely in the North and West districts to which she was assigned.

HHS failed to take any action to correct the behavior. Ms. McCoy continued her practice of unilateral action ignoring any attempt of the LSNI team to guide her efforts. Inspector McCoy's performance issues and practices were relayed by the LSNI team to her supervisor, Otis Pitts, on numerous occasions but no action was taken. Mr. Pitts made it obvious to the LSNI team that he did not have control over Inspector McCoy and the fact of the matter was that no one did.

The failures of Inspector McCoy were not hers alone but rather were directly attributable to the failure of her supervisory hierarchy to adequately train, manage, and hold her accountable for her actions. Additionally Director Pino, M.D., failed to adequately support Mr. Pitts in his managerial efforts and the breakdown of his chain of command was his own creation. Inspector McCoy was terminated in the spring of 2012 and the facts surrounding this event are under investigation.

### **Problems with the Housing Division**

As the LSNI program developed it was conceived by the Anti-blight Committee that as the City's Anti-blight Ordinance was a regulatory sledgehammer that it might not be the best tool for every occasion. In order to balance the equation, the Anti-blight Committee discussed the idea of creating incentives for property owners to comply with the ordinance without hammering them into submission. The Housing Division's Director Yasha Escalerra and Program Manager Julianne Lugo advised the Anti-blight Committee on several occasions that there existed funding programs which could help property owners to pay for necessary repairs through various Housing Division programs such as the Housing Preservation Loan Fund ("HPLF"), Porches program, HOME Loans, and other unspecified funding opportunities.

Under the direction of the COO, the Corporation Counsel's Office formulated a Preliminary Anti-blight Ordinance Letter ("PABOL"), which advises property owners who have properties that qualify as blighted that the City has programs that may provide

funding for necessary repairs. The preliminary letter also informs property owners that the Housing Division conducts informational sessions to advise property owners of the various funding opportunities available. The attorneys from Corporation Counsel's Office, Jorge Colon, Esq. and Dinamary Arvelo, Esq., conducted initial research into the funding opportunities and found that the programs which the Housing Division had endorsed did not functionally exist beyond the planning stages. The attorneys could not corroborate whether the programs were funded adequately to offer assistance to property owners or if they had any funds at all. These findings and concerns were raised by both attorneys at the Anti-blight Committee meetings however Housing Division's Julianne Lugo assured that the programs were funded and would be ready to proceed. Director Escalera supported the position that his programs would be able to help homeowners to pay for necessary repairs.

Since the inception of the LSNI program, the Housing Division has repeatedly failed to coordinate its efforts due to lack of "buy-in" from Director Yasha Escalera. Notwithstanding the fact that the Housing Division is supposed to play an integral role in funding property owners who do not have the means to pay for repairs on their properties, Director Escalera, has shown no initiative in developing strategies that would address his division's shortcomings and no interest in participating in the LSNI joint effort. LSNI has repeatedly received complaints from property owners stating that when they try to contact the Housing Division to find out about the funding opportunities, no one answers the phone or returns their calls. Once they became aware of the problem in March 2012, the LSNI inspectors and captains began to make phone calls to the posted Housing Division numbers included in the PABOL and found that they too could not contact anyone at the Housing Division and no phone calls were ever returned.

The LSNI team informed Assistant to the COO, Jonas Maciunas on repeated occasions that the LSNI effort was being stymied by the Housing Division, namely Director Escalerra, who on multiple occasions scolded them stating that he and his people were too busy with important Housing matters to be bothered by LSNI and its efforts. Attorneys Colon and Arvelo also informed their supervisors Corporation Counsel Sandra Kee Borges and Deputy Corporation Counsel L. John Van Norden that the Housing Division was reluctant to participate in the LSNI program. Multiple meetings were arranged between ACOO, Jonas Maciunas and the Housing Division but the result was always the same. The Housing Division continued to ignore the LSNI process and refused to share information as to what if anything was being accomplished at their informational sessions. The Housing Division has refused to address their funding issues or the complaints of property owners. This failure has not been corrected and any attempt to address the problems will take the Director of Development Services taking control of the division and holding it accountable. This job is too big for LSNI to handle itself and would be improper for LSNI to try to oversee. It is recommended that a full investigation be completed as to the availability of funding in any of these programs.

Of note, is that of the 175 property owners which have received preliminary notices to date LSNI has not been able to confirm whether any property owner has received funding. One property was pushed through the process by LSNI members but the

Housing Division delayed the paperwork to the point that the property owner reneged after months of waiting for financial assistance.

The net result is that though the PABOL presents a “carrot and stick” approach to enforcement of the Anti-blight Ordinance, functionally the City has only wielded a stick. Attorneys Colon and Arvelo through direction from Deputy Corporation Counsel Van Norden have tempered the City’s prosecution efforts by informing hearing officers when a property owner has acted in good faith and where they have not been able to secure City funding through no fault of their own.

### **LSNI Clean-up Billing Problems**

One of LSNI’s tasks has been to coordinate anti-blight efforts among the various departments. Included in this is the coordination of health nuisance abatements or “clean-ups”. Prior to the formation of LSNI, the Health and Human Services Department managed health nuisance abatements. The process depended on inspectors properly noticing and citing property owners and a clean-up was scheduled using DPW crews at some undetermined time later. The paperwork for the clean-ups would be forwarded by DPW to L&I in order to be liened within the statutory thirty (30) day period. Because of inefficiencies in the process liens were often filed after the thirty (30) day period making them invalid. Additionally those liens that were properly recorded fell behind most other lienholders in line of priority. These practices effectively made it unlikely that the City would recover any funds that it had expended in abating the violations. This liening practice was also performed by L&I for all of its own code abatements to include emergency securing and demolition.

In the fall of 2011, a policy was adopted that clean-up bills would be certified to the real-property taxes of the subject property pursuant to C.G.S. 12-169b. The statute allows municipalities who have incurred expenses abating health and safety code violations to certify the expenses incurred to the property taxes for that current tax year. This certification process allows the City to recover its expenses through the Tax Collector’s Office and allows the City to also gain priority for any subsequent lien issued as the expenses become in essence part of the taxes. Instead of waiting for years to possibly recover the funds, the statute empowers the City to collect them in the current tax year. The Grand List is set every October 1<sup>st</sup>.

In January 2012, the LSNI team began to implement the enforcement of the Anti-blight Ordinance and began the coordination of the health nuisance abatements. In total from late January 2012 through early June 2012, the LSNI clean-city crews cleaned 37 properties based on health nuisance violations. On March 7, 2012, the process for certifying clean-up invoices to the property taxes was finalized in a meeting between the Tax Collector, Marc Nelson, Director of L&I Daniel Loos, Operations Manager of L&I, Edison Silva, Building Official Michael Fuschi, Domenic Greco of the Finance Department, ACOO Jonas Maciunas, District Captain Gabriel Engeland and Inspector Steve Frank. In the meeting Mr. Nelson expressed the importance of having L&I send him the invoices in a timely fashion because the Tax Collector’s Office would have to

include these in the July 1<sup>st</sup> tax bill and in order to do so the invoices would have to be in his hands no later than mid-May. All agreed that L&I would generate the invoices and forward them to Mr. Nelson as soon as possible.

On March 8, 2012, Atty. Colon, drafted and emailed certification letters to accompany any outstanding invoices that were to be certified to the Tax Collector. This email was sent to Dir. Loos and Mr. Nelson. Follow-up emails were sent by Atty. Colon to Dir. Loos, Mr. Silva, and Mr. Nelson with additional drafts for certification of L&I, Fire, Housing in anticipation that clean-ups or abatements would be certified as well.

Problems arose sometime in mid-March 2012 that affected the generation of clean-up bills for work performed by the LSNI clean city crews. Throughout March and April it became apparent that DPW and L&I were not willing to take on the responsibility of generating invoices for the work performed by the LSNI clean city crews. LSNI team members advised Mr. Maciunas of the problem and Mr. Maciunas held meetings with both departments on multiple occasions but nothing changed. Neither DPW nor L&I wanted to generate the invoices. Mr. Maciunas assigned District Captain Natalie Pertoso to act as a conduit between DPW and L&I. Ms. Pertoso's efforts proved fruitless as she felt that she did not have the support of Mr. Maciunas. Ms. Pertoso remained frustrated in her attempts to resolve the issue which culminated in a meeting on May 4, 2012.

On May 8, 2012, Atty. Colon described the meeting on May 4, 2012 in which Ms. Pertoso exclaimed her frustration with the process of generating a bill. Atty. Colon advised Mr. Maciunas that he should reassign the project to another one of the district captains because it was clear that the mid-May certification deadline was fast approaching. Atty. Colon reiterated his plea from April 30, 2012 in which he emailed Mr. Maciunas for a reassignment to another district captain. At this time a moratorium on clean-ups was imposed by the LSNI team until the bill generating process could be figured out. In the weeks that followed multiple follow-up meetings between the LSNI team members and Mr. Maciunas revealed that Mr. Maciunas had not been informing the COO, David Panagore about the problem with the invoices and the seeming inability of DPW and L&I to generate the invoices and failure of L&I to mail the invoices to the property owners.

On July 3, 2012, Ms. Pertoso resigned from her position as South District Captain effective July 20, 2012. The resignation and problems surrounding the clean-up invoices caused Mr. Panagore to begin an investigation into the matter. The LSNI team members along with Atty. Jorge Colon, informed Mr. Panagore that they had been advising Mr. Maciunas of the problems associated with the clean-up invoices since at least March 2012. They believed that based on new information that Ms. Pertoso had delivered the billing documentation generated by DPW to Mr. Silva of L&I in or around March 2012 notwithstanding the fact that Mr. Silva had stated on multiple occasions that he had never received any packets from DPW for the clean-ups conducted by the LSNI clean city crews.

Mr. Silva had falsely represented the facts to Jenna Carlesso of the Hartford Courant, stating at first that the bills had been generated and mailed to the property owners.

Subsequent revisions of his statements included that the bills had not been mailed but that the documents for the clean-ups were accounted for, and the latest iteration of the story, that the formula to calculate the bills was incorrect and so therefore the bills had not been mailed. On July 27, 2012, at approximately 4pm, Mr. Silva approached Atty. Colon and requested that the language on the bills be changed so that they could be mailed to the property owners as soon as possible and so that he would have information to tell Ms. Carlesso. Atty. Colon refused citing that it was inadvisable for the City to draft new procedures in such a hurried response in order to satisfy a reporter. Atty. Kee Borges agreed that no new drafting would be approved without approval of a new process.

Mr. Silva subsequently developed thirteen (13) invoices for the clean-ups stating that he only had documentation for the thirteen. The LSNI team reviewed all outstanding thirty-seven (37) clean-ups that had been conducted and found that DPW only had documentation for sixteen (16). It was becoming readily apparent to the LSNI team and all involved that there was a problem due to the lack of documentation and the inability to find the correct number of clean-ups that could be documented. None of the documentation that could be found could be made to match the bills generated by Mr. Silva.

Atty. Colon spoke to Mr. Pitts of the Health Department and Mr. Pitts confirmed that the lack of paperwork on the HHS side of the equation was the result of Inspector McCoy's work-product. Atty. Colon conducted a review of the HHS paperwork attached to the thirteen (13) invoices generated by Mr. Silva and found that only two (2) survived legal scrutiny. The documents attributed to Inspector McCoy proved to be rife with discrepancies and should never have been approved for clean-up by Mr. Pitts. Mr. Pitts could not verify that the documents attached to the invoices which were generated by Mr. Silva were in fact what he had reviewed. Some of the documentation from HHS was work-product that Inspector McCoy had generated as far back as the spring of 2010, if the documentation is to be believed. Mr. Pitts acknowledged that he had approved clean-ups on certain properties but because all of the current documentation had been generated by Mr. Silva in the aftermath of the revelation that none of the invoices had been mailed to the owners, he could not verify any of them.

It is recommended that due to the discrepancies in the thirteen (13) invoices that were generated and the discrepancies in the supporting documentation, that none of the invoices, even the two (2) invoices that may be salvageable, be billed to the property owners. This is more so the case due to the fact that a remaining twenty-four (24) clean-ups cannot be verified because the documentation has been lost. It is significant to note that a number of the DPW worksheets were date stamped as received by L&I on March 7, 2012 and March 12, 2012. This raises the question that if L&I had received the clean-up worksheets in early March 2012 why did Mr. Silva not prepare and mail the invoices to the property owners at the time? Why did Mr. Silva repeatedly deny having the worksheets? Why did Mr. Silva allow Ms. Pertoso to be blamed for not having the worksheets through multiple meetings? Mr. Silva never once acknowledged the receipt of the paperwork and led everyone involved to assume that the paperwork had been lost or was never generated in the first place. The facts point to the clean-up paperwork

for all thirty-seven (37) clean-ups being delivered to L&I and Mr. Silva on March 7 and 12, 2012. The thirteen (13) invoices generated by Mr. Silva point to this finding. Mr. Silva's attempt to mail the invoices to property owners on July 27, 2012 and his interaction with City staff in the following weeks raises serious questions as to the validity of these invoices. Further investigation is warranted in this matter.

#### **D. Conclusion**

The LSNI team through its short-time in existence has created several positive changes to include: (1) that City residents and NRZs have responded positively overall to LSNI's efforts to enforce the Anti-blight Ordinance; (2) daily interaction with residents and NRZs has increased the effectiveness of LSNI and other code enforcement efforts which affect quality of life; (3) interdepartmental communication has increased because of LSNI efforts to coordinate the City's response to complaints; (4) that there is still a need for improving coordination between all departments in order to streamline City responses and outcomes.

The LSNI team has also uncovered that: (1) City departments outside of LSNI continue to exhibit fiefdom-like cultures that create difficulties in coordinating City response to constituent concerns; (2) City departments have failed to supervise and train employees resulting in lackluster performance, nonperformance, and lack of ownership of duties, responsibilities, and outcomes; (3) City managers are in dire need of professional leadership training in order to effectively manage their subordinates. The status quo creates confusion resulting in paralysis at the employee level; (4) there exist serious deficiencies at the Development Services Department, DPW and HHS that require further inquiry and investigation.

The COO's Office has discussed procedures that will ensure accountability throughout the City's departments. These procedures must be implemented and training must begin immediately. Training will be conducted in anticipation of the September 1, 2012 311/MUNIS go-live date.