

Fresno investigates allegations that city employees took bribes from JD Home Rentals

By Andrea Castillo acastillo@fresnobee.com

The city of Fresno is investigating allegations made in an anti-slumlord advocacy group's video that city employees took bribes from JD Home Rentals leaders to look the other way on substandard housing.

JD Homes is one of the Valley's largest property management companies and has been sued in a class-action case over alleged code violations. The company has denied the allegations.

The May 19 video was produced by the volunteer advocacy group No More Slumlords. In a Wednesday voicemail to No More Slumlords obtained by The Bee, attorney [Laurian Rutterbush](#) says the law firm Atkinson Andelson Loya Ruud has been retained by the city to "look into the allegations made against city officials regarding its dealings with JD Homes."

"The city is aware of the video and takes the allegations stated therein very seriously," Rutterbush says in the message. "In particular, the city is initiating an investigation to determine whether any city employees took bribes from the property management company."

In the 10-minute video, six former workers sat down with No More Slumlords for an interview about their experiences with the property management company. At almost six minutes into the video, the interviewer asks in Spanish, "What type of relationship would you say that the city of Fresno has with JD Home Rentals?"

Luis Sagrero, who worked for eight years remodeling for JD Homes, replies in Spanish, "Everyone here has heard the (JD) supervisor say that (code enforcement) won't do anything." Other former workers nod in agreement.

Sagrero goes on to state that he has heard the supervisor say, "I will take them (code enforcement) out to eat and give them their \$500 and it's done."

"And what about the people who called to file a complaint?" Sagrero continues. "Why do Fresno residents no longer want to call the city? Why don't they want to file a complaint? Because repairs won't get done and nothing happens to them (JD). They no longer believe in the law."

Bryce Hovannisian, who operates JD Home Rentals, said in a written statement that JD is committed to providing affordable, comfortable housing that complies with local codes and state laws. He said the company is also committed to working productively and responsibly with the city and community members.

"The video is inaccurate and contains egregious, unsubstantiated and blatantly false claims," Hovannisian said. "JD Home Rentals intends to pursue appropriate measures to ensure that these falsehoods are addressed in the proper manner."

Sergio Cortes, who started No More Slumlords along with his wife, said the investigation feels like validation that the city is finally listening to what the community has been saying about housing conditions for many years.

"What we would like to happen is for the city to get serious about this issue and it sounds this might be the first step towards that direction," he said.

Earlier this month, Fresno County District Attorney Lisa A. Smittcamp announced she was forming a "public integrity" unit to investigate allegations of public corruption or election-related crimes. Among their charges: investigate and, if necessary, prosecute public officials or public employees who commit crimes relating to their official duties.

Assistant District Attorney Steve Wright said he didn't know the specifics of the allegations. But bribery of public officials or employees could potentially fall under the purview of the new public integrity unit.

Mayor Ashley Swearengin announced earlier this month a plan to transform Fresno's poorest neighborhoods. [Restore Fresno](#) will boost investment in older neighborhoods including Lowell, Yokomi and Jefferson neighborhoods on the north edge of downtown, El Dorado Park near Fresno State and southwest Fresno's Kirk neighborhood.

During a [news conference May 13](#), Swearengin explained that the blight line in Fresno, which in the 1980s was McKinley Avenue, has moved up every decade since.

"Today in the 2035 general plan we acknowledge that the blight line in the city of Fresno is Herndon Avenue, meaning that more than two-thirds of our neighborhoods south of Herndon are either poverty or extreme poverty neighborhoods."

Cortes said he imagines the bribe investigation could be an extension of the Restore Fresno effort.

"Now where that leads to, that's a whole different story," he said. "That's something that we as community correspondents are going to investigate."

Andrea Castillo: [\(559\) 441-6279](tel:5594416279), [@andreamcastillo](https://twitter.com/andreamcastillo)