

Fresno leaders committed to fix ‘Third World conditions’ at Summerset apartments if ‘slumlord’ doesn’t step up

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Fresno leaders called a state of emergency Monday over dire conditions at a central-city apartment complex, while the absentee owner said he did not know the extent of problems he is being blamed for now.

The City Council voted 6-0 during a special meeting called to declare the emergency at Summerset Village Apartments.

Chris Henry, the owner of the Summerset Village Apartments, looks through the window of the office of the complex. JOHN WALKER
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Hundreds of tenants – mostly Southeast Asian immigrants – have been without heat or hot water at the complex on North Angus Street since Nov. 12, when PG&E shut off the gas because of safety concerns. The city learned of the outages on Nov. 20, and has since worked with the American Red Cross and other local agencies to provide relief.

Mayor Ashley Swearingin declared a local emergency Nov. 25, precipitating the council’s action Monday that allows the city to take over the complex’s repairs or, through various legal mechanisms, ultimately take over the property if owner Chris Henry does not fix a long list of gas line and code enforcement issues. It also allows the city to secure state and federal funding to cover expenses incurred while trying to care for the 1,200 or so residents.

Penalties for the complex’s owner, funding for residents’ relief, and the possibility of relocating the 500 or so tenants who have remained in the complex were all discussed at length at the council’s special meeting. The city is also pursuing various avenues to take over the property.

However, none of these actions were taken. The council, with member Steve Brandau absent, asked City Manager Bruce Rudd to prepare cost estimates and examine the feasibility of each option for more discussion at the council’s regular meeting on Thursday.

Henry, of Santa Barbara, told The Bee late Monday afternoon that he was notified of the problem by Pacific Gas & Electric Co. on Nov. 13. He believed it to be a minor issue, and said he received conflicting information from both the utility and the city regarding the extent of the problems.

This city is not going to tolerate slumlords, and we’re coming for you today.

Fresno City Council Member Clint Olivier, talking about Summerset Village apartments owner Chris Henry of Santa Barbara

Bill Leifer, a local attorney hired by Henry, told the council the issues were city problems – not a landlord responsibility.

That enraged most of the council. Many also took offense that Henry wasn’t present for the morning council meeting but was in town Monday to meet with Swearingin and Rudd.



Council Member Clint Olivier opened the fiery responses, which lasted about an hour. Summerset Village is located within his district.

“This city is not going to tolerate slumlords, and we’re coming for you today,” Olivier said. “We have to clean up your mess.”

Council Member Paul Caprioglio called Leifert’s deflection “preposterous.”

Summerset Village Apartments owner Chris Henry said that he inspects the complex once a month, but had not been there in the last three months.

Council Member Lee Brand, who owns commercial real estate and represents northeast Fresno, called Summerset Village “a man-made disaster that exposed a lack of city resources and code enforcement.” Brand said that Henry “exposed over 1,000 residents to Third World conditions in the city of Fresno.”

Brand said Henry’s business practices preyed on a vulnerable population that doesn’t complain. The problem, Brand added, is widespread in Fresno, and he said the city must develop a long-term solution.

The issue also shows a breakdown in communication and disaster response within the city, Brand said, since it took 18 days from the time the gas was shut off until Monday’s formal action.

The cost

According to Brand, Bill Nelson General Construction Inc. – which was matched with Henry by the city – placed a \$370,000 price on repairs to the main gas line. The best-case schedule for completing these repairs is three weeks. Leifer, Henry’s attorney, said the work is underway.

Around 40 individual units also require additional gas line repairs. Leifer said that Fresno Plumbing was originally in line to repair the individual units concurrently, but backed out due to safety and liability issues. City spokesman Mark Standriff confirmed this. Leifer did not know if another contractor was set to take over for Fresno Plumbing.

In addition to gas line repairs, Henry faces more than 160 pages of code enforcement violations – all of which must be fixed to meet the city’s standards. Standriff said the associated fines likely total more than \$250,000. Brand estimated at least \$1 million in total costs.

Brand also cast blame on the property’s lender. In October 2003, Henry secured a \$3.24 million nonpurchase loan from Washington Mutual for the complex. That loan is now owned by Bank of America, Brand said, which also did nothing to prevent the decay of Summerset Village. Lenders typically inspect properties annually, he added.

Standriff explained the city costs incurred as of Monday: It spent \$850 to purchase two propane tanks for the relief effort. A fire watch team, valued at \$240 per night, has been on hand for the last seven days and will continue to oversee the complex each night until repairs are made. The standard code enforcement fee is \$100 per enforcer per hour. Standriff wasn’t sure how many code enforcement hours have been accrued, but he said that the division’s manager already has spent 24 to 30 hours. Several other staffers have assisted him.

Standriff stressed that none of this will cost the taxpayers. Henry will be billed for every cost, which amounts to at least \$5,000 to date.

Meanwhile, costs for the service groups continue.

Barry Falke, the director of the American Red Cross’ Central Valley branch, said his organization has been paying for around 700 meals per day since Nov. 26. The Red Cross and city are drawing up a contract for food reimbursement, as the Red Cross can only pay for natural disaster relief – not owner negligence. The city will then be on the hook for feeding the Summerset residents until the work is completed.

Falke was working Monday to tally up the costs for the city, but he estimated it was several thousand dollars so far. The food is prepared by volunteers from Southern Baptist Disaster Relief and other faith-based organizations that the city can't legally give money to, so the Red Cross is acting as an intermediary.

Zack Darrah is the director of Fresno Interdenominational Refugee Ministries, a nonprofit that has led the relief effort for Summerset residents. He said his agency has been spending a few thousand dollars a day since it learned of the crisis on Nov. 19.

This is a significant expense for FIRM, which has to budget carefully just to keep the lights on, Darrah said. It has relied on donations from citizens, but Darrah asked for funding from the city to offset the costs.

He also expressed serious doubts about the three-week timeline given to the city.

Relocation

Darrah said that tenants have been approaching him asking whether or not they should pay their rent, which is due at the beginning of the month. FIRM is working to get the tenants legal representation, and renters' rights organization Tenants Together is also involved.

"We're telling people to withhold rent," Darrah said.

FIRM's office is located across the street from Summerset, and Darrah said his employees have been going door-to-door to catalog the residents' needs. The complex has thinned from around 1,200 to just 500, as many people have left to stay with family or friends. Those who remain, Darrah added, are mostly elderly. Some are sick, and a move could be difficult for them.

Fresno County Housing Authority spokeswoman Brandy Johnson said that 20 of the complex's 220 units are occupied by federal Section 8 voucher recipients. All 20 have been issued vouchers to relocate, and the housing authority canceled its contract with Summerset – meaning the lion's share of the rent from these 20 units will no longer be paid.

Johnson said the voucher recipients have expressed resistance to moving. Many have been there for several decades and hold close ties with their neighbors.

Johnson said the 20 Section 8 units are inspected annually and was trying to figure out the date of the last inspection. The housing authority has sent Hmong and Lao translators to assist FIRM, and Johnson believes that the Section 8 units were maintained better than the others.

The owner speaks

Henry, who also owns upscale restaurants in Sausalito (described in a promotion as "an inviting waterfront oasis") and Santa Barbara, spoke to The Bee inside the Summerset Village rental office.

"I want to apologize for the situation," he said. "My heart goes out to the tenants. I've donated \$25,000 to FIRM, and I'm trying to correct the problem."

Henry said that he inspects the complex once a month, but had not been there in the last three months. He said that he was unaware of any code violations, and that he "didn't notice any problems" during his previous inspections.

However, a walk-through easily reveals how parts of the complex are falling apart.

Several units in the 2743 and 2697 sections had large holes in the roofs. One resident in apartment B of the 2743 section had a boarded-up window and said that he has to spray foam around the window to keep bugs out. The driveways are badly paved, and several of the outdoor air conditioning units have holes in their filters.

Henry was to receive his list of code violations at 6 p.m. when he met with city officials. He promised to “address each one.”

He said that he was originally told of only one leak, which then became six leaks and more. He said miscommunication from the city and PG&E led to a misunderstanding of the extent of problems.

The city asked that the pipes pass a 60 pounds-per-square-inch standard.

“Everyone knew the pipes wouldn’t hold that,” he said. “That’s a lot of pressure.”

Standriff, the city spokesman, said that 60 pounds per square inch is the state standard.

Construction equipment sat at the front of the complex. Henry said that Nelson Construction has three crews working to fix the problem.

He was told it will take “a few weeks.”

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