



# AGENDA REPORT

SAN CLEMENTE CITY COUNCIL MEETING  
Meeting Date: May 25, 2022

Agenda Item 10C  
Approvals:  
City Manager ES  
Dept. Head CGD  
Attorney CJ  
Finance JR

**Department:** Community Development Department  
**Prepared By:** Adam Atamian, Deputy Community Development Director

**Subject:** PUBLIC SAFETY COMMITTEE RECOMMENDATION TO CITY COUNCIL - ACTIONS TO PREVENT HUMAN TRAFFICKING IN MASSAGE ESTABLISHMENTS AND SIMILAR BUSINESSES

**Fiscal Impact:** Yes. Staff's recommendation requires approximately \$2,476.80 of staff time. Staff believes this amount of work can be accomplished within the Code Compliance Division's existing budget. Additional staff time to implement the recommendations contained in this report would require additional funds to avoid negative impacts to the Divisions delivery of service.

**Summary:** On March 22, 2022, the Public Safety Committee (PSC) approved a recommendation to the City Council to implement actions to prevent human trafficking in massage parlors and similar businesses. Staff recommends the Council direct staff to implement the proposed actions in two phases.

**Background:** The PSC's Fiscal Year 2021-2022 Work Plan includes a project on Human Trafficking, designed "to identify any issues relating to human trafficking that might occur in San Clemente," and "collate pertinent information and forward same to the City Council for review." The PSC has investigated this issue, with input from the I-5 Freedom Network, and City and OCSD enforcement staff familiar with potential issues at massage establishments, such as illicit massage services and human trafficking.

On January 18, 2022, the City Council approved the creation of a Council subcommittee, comprised of Mayor James and Mayor Pro Tem Duncan, to work with the I-5 Freedom Network to address the issue of illicit massage establishments and human trafficking. In conjunction with the PSC and I-5 Freedom Network, the Council subcommittee assisted in the effort to investigate this issue and develop a list of specific actions to address human trafficking in the City.

**Discussion:** Between its meetings of January 25, 2022 and March 22, 2022, the PSC identified three priorities to address human trafficking in San Clemente. The three priorities consist of the following:

1. Strengthen massage parlor oversight by the Code Compliance Division.
2. Educate and reward hotel and motel business compliance.
3. Include human trafficking information in community forums, to schools, and encourage citizens to report illicit activities.

To carry out these priorities, each is accompanied by a list of action items. All action items are provided in Attachment 1. The PSC recommendation includes all three priorities, and the accompanying action items, for consideration.

### ***Phased Approach***

Based on current resources, staff recommends a phased approach to the implementation of the PSC priorities. The Council may consider directing the Code Compliance Division to implement Priority 1 and the PSC to develop an education and information program for carrying out priorities 2 and 3.

### **Priority 1**

Staff recommends implementing Priority 1 at this time, and returning to Council later in fiscal year 2022-2023 to receive direction to implement PSC-recommended actions to accomplish Priorities 2 and 3. The action items for Priority 1, to strengthen massage parlor oversight by the Code Compliance Division, include the following:

- A. Delegate at least one individual on Code Compliance staff to be the main point of contact dealing with massage parlors and other related business (e.g., nail salons, hotels, etc.).
- B. Develop an abbreviated inspection sheet based on existing zoning and code regulations for massage parlor initial and annual licensing.
- C. Determine an efficient use of staff to conduct random inspections of massage parlors and related businesses.
- D. Suggest ways the Community Development Department can contribute to positive incentives for massage parlors and other businesses complying with City ordinances.
- E. Provide staffing impact and cost estimates required for the above.
- F. Provide training to successfully accomplish these tasks.
- G. Develop and implement a strategic plan to ensure Code Compliance and OCSD coordination on these activities.

Staff is prepared to initiate these action items. Items A, B, F, and G can be implemented administratively with minimal impact to the Code Compliance Division's current staff and budget resources. For item C, staff recommends biannual (twice per year) random inspections. Undertaking these proactive inspections will require approximately two hours of staff time per inspection.

For all massage businesses currently licensed, this proactive inspection program will require approximately 40 hours per year, with a cost of staff resources of \$2,476.80. Staff believes this amount of work can be accomplished with existing resources, and minimal impact to the Division's ability to follow-up on complaints received while these inspections are carried out. Any subsequent work required to address observed violations would be covered under the Division's established budget to address any violations of the San Clemente Municipal Code.

Should the Council desire more frequent random inspections, such as monthly or quarterly, the annual staff time and cost required would be 240 hours and \$14,860.80,

and 80 hours and \$4,953.60, respectively. At this time, the Code Compliance Division would require additional resources to effectively conduct this level of proactive enforcement without negatively affecting the Division's response time to address submitted complaints.

For item D, staff is currently investigating opportunities to incentivize compliant massage businesses. Some potential incentives could be implemented administratively and include identification of compliant businesses on the City website and City-issued stickers/signs identifying the business as compliant. Other incentives, such as waiving certain business license fees for compliant businesses would be proposed to the Council at a future date for consideration.

### Priority 2 and 3

Staff recommends the Council support Priorities 2 and 3, however, given current staffing limitations and finite resources, consider having the PSC develop a plan for the implementation of hotel and motel education and community awareness. The PSC could collaborate with organizations in the effort to promote training and responsiveness to the issue.

### **Recommended**

#### **Action:**

STAFF RECOMMENDS THAT the City Council direct staff to implement the Priority 1 action items recommended by the Public Safety Committee, as proposed by staff, and return to the Council in Fiscal Year 2022-2023 with recommendations to implement Priorities 2 and 3.

**Attachments:** 1. Public Safety Committee Recommended Priorities to Prevent Human Trafficking

**Notification:** None.

# ATTACHMENT 1

## PSC Recommendations to Prevent Human Trafficking

- Priority 1 - Strengthen Massage Parlor Oversight by the Code Compliance Division
  1. Delegate at least one individual on Code Compliance staff to be the main point of contact dealing with massage parlors and other related business (e.g., nail salons, hotels, etc.).
  2. Develop an abbreviated inspection sheet based on existing zoning and code regulations for massage parlor initial and annual licensing.
  3. Determine an efficient use of staff to conduct random inspections of massage parlors and related businesses.
  4. Suggest ways the Community Development Department can contribute to positive incentives for massage parlors and other businesses complying with City ordinances.
  5. Provide staffing impact and cost estimates required for the above.
  6. Provide training to successfully accomplish these tasks.
  7. Develop and implement a strategic plan to ensure Code Compliance and OCSD coordination on these activities.
  
- Priority 2 - Educate and Reward Hotel and Motel Business Compliance
  1. Have Hotels and Motels prioritize human trafficking recognition and reporting in their establishments (both sex and labor related)
  2. Officially recognize hotels and motels committed to avoid human trafficking in their establishments (e.g., Five Star Rating)
  
- Priority 3 - Include human trafficking information in community forums, to schools, and encourage citizens to report illicit activities
  1. Include human trafficking information in the Neighborhood Watch Program
  2. Educate school counselors to recognize human trafficking and resources providing support to student victims
  3. Add human trafficking to the City's Code Enforcement Violation Hotline