

July 26, 2024

<u>Information Bulletin – Enforcement of State Housing Law Habitability Requirements at</u> Multi-Family Properties

TO: California City Attorneys and County Counsel

The Office of the California Attorney General issues this information bulletin to call attention to new and important state law requirements regarding inspections of multi-family rental properties (Assembly Bill 548, codified as Health and Safety Code, § 17970.7).

The Attorney General appreciates the critical role of local governments in protecting California's renters and ensuring the habitability of their homes, particularly in light of the state's ongoing affordable housing shortage. The laws discussed below provide tools for local agencies to detect and remedy unsafe housing. The Attorney General encourages local agencies to update their policies to ensure compliance with this new law.

AB 548: New Requirements for Inspections of Multi-Family Buildings

AB 548 requires local enforcement agencies, **by January 1, 2025**, to develop policies and procedures for inspecting a property with multiple residential units whenever an inspector or code enforcement officer has determined that (1) a unit is "substandard," as defined in Section 17920.3, or in violation of Section 17920.10 (regarding lead hazards); and (2) the defects or violations have the potential to affect other units at the property.

The policies and procedures must:

- (1) Set forth criteria for inspectors or officers to use in determining whether the substandard condition could reasonably affect other units, including assessment of the property's age, type, and size; the cause(s) of the substandard condition; and the history of violations;
- (2) Require the agency "to reasonably attempt to inspect additional units at the property, including at least units adjacent to, above, and below the unit in which the defect or violation was found;" and
- (3) Allow for the inspection of *all* units "if severe, building wide defects or violations are found."

(§ 17970.7, subd. (b).)

If the local enforcement agency determines a substandard condition in a unit could reasonably affect other units in the building, the agency must (1) provide the property owner with a notice or order to repair or abate within a reasonable time after the inspection is completed, and (2) advise the owner or operator of each known violation and of each action required to remedy the violation and schedule a reinspection to verify correction of the violations. (§ 17970.7(c).)

¹ All references herein are to the Health and Safety Code, unless stated otherwise.

The purpose of AB 548 is to facilitate inspections of additional units in a multi-unit building where a violation has been reported or identified in a single unit and may also be affecting other units in the building. Merely notifying other residents in the building of a violation in one unit may not be enough to prompt such residents to submit additional inspection requests that would uncover the full scope of the problem. Therefore, the goal of AB 548 is to establish processes and procedures that will identify and address unreported problems before they worsen. (See Assem. Com. on Housing and Community Development, Rep. on Assemb. Bill 548 (2023-2024 Reg. Sess.) April 12, 2023, p. 3.)

Building on Cities and Counties' Role in Identifying Substandard Housing

AB 548 builds on other recent state legislation regarding city and county responses to complaints of unsafe or substandard housing conditions. For example, since July 2022, state law has required local enforcement agencies to conduct inspections, including of the interior of units, in response to tenant or resident complaints, and to do so within the same timeframe as the local jurisdiction conducts final inspections of construction work necessitating permits. (§ 17970.5.) Where those inspections reveal substandard conditions or lead hazards, the local enforcement agency must issue an inspection report. And finally, enforcement agencies are required to advise the owner or operator of the violations found and the steps necessary to correct them, and conduct a reinspection to verify the corrections. (See § 17970.5, subd. (a) & (b).)

Critically, as of July 1, 2022, local enforcement agencies may *not* impose any of the following requirements as a precondition to conducting a complaint-driven inspection:

- Requiring the tenant first to report the substandard condition to the owner or property manager;
- Requiring the tenant to be current on rent, or otherwise in compliance with their lease; or
- Requiring the tenant not to be in "involved in a legal dispute" with the property's owner, which may include eviction proceedings.

(§ 17970.5, subd. (g).)

Imposing these conditions would place tenants at risk of retaliation and impair their longstanding statutory right to withhold rent due to substandard conditions and to raise habitability problems as a defense to eviction. (See, e.g., *Green v. Superior Court* (1974) 10 Cal.3d 616.)

Orders to Vacate and Relocation Benefits

In the event of severe violations, local enforcement agencies may issue an order to vacate a unit. When this occurs, enforcement agencies are responsible for determining whether the tenant is eligible for relocation benefits to be paid by the owner, and for communicating that determination to the tenant and owner. (§§ 17975, 17975.1.) **This responsibility is not optional**, and all local enforcement agencies should have established processes in place for addressing relocation benefits after issuing an order to vacate. (See *id.*, §§ 17975-17975.10.)

A tenant who must vacate a substandard unit is typically eligible for relocation benefits, unless the tenant "substantially contributed to" the conditions necessitating the order to vacate, or unless July 26, 2024 Page 3

the conditions were caused by a natural disaster such as a fire, earthquake, or flood. (§ 17975.4.) Orders to vacate shall be accompanied by a short summary of, and reference to, the relevant Health and Safety Code provisions addressing relocation benefits. (*Id.*, § 17975.8; see §§ 17975-17975.10.) Agencies should provide a means for owners to appeal the determination that relocation benefits are owed. (*Id.*, § 17975.4, subd. (d).)

Compliance with these relocation-benefits provisions is critical to ensuring that renters are not left unsheltered and financially devastated when they are forced to leave their homes due to severely substandard conditions that they did not cause.

Cities and counties are encouraged to consult with their jurisdiction's legal counsel to address any questions about these statutory requirements and about the implementation of policies and procedures consistent with them. For other information, or to discuss other tenant-protection matters of statewide concern, please contact housing@doj.ca.gov.