

# Preventing Displacement from Substandard Conditions and Associated Code Enforcement Activities

Substandard conditions and physical deterioration of buildings are significant concerns in the region. Where rental housing stock and unsubsidized affordable housing units do not meet code standards, these conditions can create health and safety risks for tenants and can lead to condemnation, abandonment and/or demolition of housing units. The remediation of substandard conditions in unsubsidized affordable housing is not only necessary to preserve this housing but also represents an important anti-displacement strategy. Code enforcement programs need to ensure habitability issues and needs for substantial property repairs do not lead to the permanent displacement of tenants. The programs also need to require maintaining housing stability for tenants during any temporary displacement necessary for repairs. Code enforcement and other programs to address substandard conditions need to be centered in an anti-displacement framework, otherwise these activities can lead to the immediate displacement of vulnerable tenants if properties are deemed uninhabitable. An effective program which prevents the loss of housing stock due to code issues provides public support to landlords and low-income homeowners to maintain their properties.

## Legal Context

### What Does State Law Require?

California Health & Safety Code defines substandard conditions, outlining what are considered inadequate sanitation or structural hazards. When a jurisdiction receives a complaint, they are required to inspect the building, document findings, prescribe a remedy to the property owner and schedule a reinspection. Tenants cannot be required to vacate unless code compliance requires demolition or substantial repair.

## At-A-Glance

### RELEVANT STATE LAWS

California Health & Safety Code Sections 17920.3, 17970 - 17972, 17980 - 17992

### POTENTIAL FUNDING SOURCES

- Community Development Block Grant (CDBG) funds
- General Fund
- Housing Trust funds

### COST Low

### ADMINISTRATIVE BURDEN

 **Medium**

Staff capacity needed for designing and overseeing program and leading public and legislative processes.

### WHICH P?

Preservation

### POTENTIAL PARTNERS

- Property Owner Associations
- Community-based organizations
- Nonprofits specializing in home repair and modifications

### OPTION FOR TOC POLICY COMPLIANCE?

Yes!



## How Can Jurisdictions Implement Programs That Go Beyond State Law?

Jurisdictions can implement programs that allow amnesty for property owners legalizing

unpermitted units and provide loans, grants or fee waivers for property owners experiencing financial hardship or located in neighborhoods with high displacement-risk.

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## Program Design, Implementation and Evaluation Considerations

*The callout box below labeled “TOC Policy Requirements” describes the policy features necessary for a jurisdiction to receive credit toward TOC Policy compliance. All other policy features discussed in this document represent details found in existing policies on the subject and a jurisdiction may want to consider them when adopting or implementing a policy, but nothing is required for TOC Policy compliance unless noted as a requirement in the “TOC Policy Requirements” callout box or the [TOC Policy Administrative Guidance](#).*

### Elements of the Program

- Outreach and education for both property owners and tenants
- Support and resources for property owners, such as programs that provide a pathway to legalization for unpermitted units, amnesty fee waivers and financial assistance for low-income property owners
- In the case of financial assistance programs, clearly defined eligibility criteria and minimum/maximum loan or grant amounts
- Program enforcement and monitoring
- Interdepartmental coordination

### Program Design Considerations

Jurisdictions may want to consider the following:

**AMNESTY PROGRAMS:** Assisting property owners with legalizing unpermitted rental units. Jurisdictions can waive fines, fees and penalties in exchange for protecting tenant housing stability. Amnesty programs can assist low-income property owners with bringing substandard units up to code or legalizing unpermitted units in exchange for agreements to continue renting to the existing tenant at an affordable rent.

**HABITABILITY PLANS:** Requiring landlords to provide habitability plans during the code compliance process to prioritize timely building repairs. Habitability plans serve

as commitments between landlords and the jurisdiction to protect tenants from displacement and preserve affordability. They can include progress updates to tenants, commitments to continue renting the unit to the existing tenant and relocation compensation.

**FINANCIAL ASSISTANCE FOR LOW-INCOME PROPERTY OWNERS:** Providing assistance to address deferred maintenance and preserve affordable housing. This financial assistance can include:

- Low-interest or no-interest loans, forgivable loans or grants to low-income homeowners
- Special considerations for low-income senior property owners, or property owners in vulnerable neighborhoods
- Home repair funds through Community Development Block Grants, Housing Trust Funds or other local sources
- Loans for habitability, energy savings or cost savings

**PROGRAM ELIGIBILITY:** Targeting households at or below a specific income level. Some jurisdictions provide special considerations for low-income senior homeowners and/or homeowners with disabilities.

**PROPERTY OWNER EDUCATION:** Providing clear, easy-to-understand information about property owners’ responsibilities. Partnering

with property owner associations and providing translated materials to help ensure the information is clear, accessible and reaches a wide audience.

## Program Implementation, Administration and Enforcement

A well-developed system for education and outreach, implementation assistance, and monitoring and enforcement is critical for protecting vulnerable residents.

Partnerships with non-profit service providers can reduce the cost and administrative commitment required for code enforcement programs, while simultaneously improving program reach and accessibility. Nonprofit organizations can also administer support programs for property owners and may be able to access additional grant funding.

Outreach and education efforts can be developed and carried out with partners to ensure that both property owners and tenants understand the law, their rights and obligations, and available resources. Creative outreach strategies developed with community partners can supplement traditional outreach channels, such as jurisdiction websites.

Monitoring is necessary to ensure landlord compliance with requirements for both assistance programs and enforcement actions, including repeated inspections.

Monitoring plans should account for ongoing tenant support, such as options to monitor landlord responses to a tenant's request for information or resources promised in a habitability plan.

Enforcement mechanisms should be clear and consistently applied, with penalties should landlords fail to comply with either requirements for assistance or repairs. This could include fines, limits on rent increases or payments to tenants.

Jurisdictions may want to collaborate with neighboring jurisdictions to help standardize code enforcement policies and practices and share staff resources and expertise.



**TOC Policy Requirements:** To comply with TOC policy, jurisdictions must adopt either (1) an amnesty program waiving code enforcement fines in exchange for anti-displacement commitments, or (2) a low-or no-interest loan or grant program for low-income homeowners.

### Amnesty Program:

- Establish an amnesty program to waive fines and fees for landlords with occupied units constructed without permits in exchange for updates to comply with health and safety codes.
- Require landlords to complete a tenant habitability plan as part of the permitting process.
- As a condition of receiving amnesty for fines and fees, the landlord must agree to continue renting to the existing tenant after repairs are complete with reasonable limits on rent increases for that tenant.

### Loan or Grant Program:

- Must support lower-income homeowners with making repairs or modifications to their residences.
- Provide a low- or no-interest loan or grant of at least \$10,000 per recipient.
- Define eligibility for receiving a loan or grant, eligible uses for funds and minimum/maximum loan or grant amounts.
- Recipients must be below 80% AMI and live in owner-occupied homes that are the homeowner's primary residence, including mobile homes where the owner rents the lot.

## Program Evaluation

To evaluate program effectiveness, jurisdictions can analyze whether units with substandard conditions are brought to code through a timely process that reduces disruption to tenants. Jurisdictions can assess whether reporting mechanisms are easily accessible and make them available in multiple languages. They can also evaluate whether property owners are able to reasonably meet requirements for assistance programs, and whether financial assistance available to owners meaningfully reduces the cost burden of repairs.

## Complementary Policies

**TENANT RELOCATION ASSISTANCE:** In the case of landlords participating in an amnesty program, relocation assistance can provide security to tenants who may need to relocate during repairs.

**LEGAL ASSISTANCE:** Legal assistance programs can help tenants understand and assert their rights, including the right to safe, habitable housing and hold landlords accountable when they do not address habitability issues.

*This document is intended to provide general information and does not constitute legal advice. Additional facts, facts specific to a particular situation, or future developments may affect the subjects discussed in this document. Seek the advice of your jurisdiction's legal counsel before acting or relying upon this information. For specific questions regarding TOC compliance, please reach out to [TOCpolicy@bayareametro.gov](mailto:TOCpolicy@bayareametro.gov).*

## Other Resources

### EXAMPLES\*

[City of San José - ADU Amnesty Program](#)

[City of Los Angeles - Tenant Habitability Plans](#)

[City of Hayward - Partnerships for Home Repair](#)

[County of Alameda - Partnership with Habitat for Humanity for Home Repairs](#)

### OTHER RESOURCES

[Metropolitan Transportation Commission - Preservation Policy 8: Preventing Displacement from Substandard Conditions and Associated Code Enforcement Activities](#)

*\*Note that examples have not been vetted for full TOC Compliance.*