

Preventing Displacement from Substandard Conditions and Associated Code Enforcement Activities

These programs minimize the risk of displacement and financial hardship caused by substandard conditions and building code enforcement. Program elements may include proactive education for property owners and tenants, improved access to reporting for tenants, and assistance to landlords for property improvements in exchange for anti-displacement commitments.

Legal Context

What Does State Law Require?

[California Health & Safety Code § 17920.3](#) defines substandard building conditions. 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.

If tenants cannot safely live in their unit temporarily or permanently, property owners must compensate the following: moving expenses; value of property lost, stolen or damaged in the process of moving; costs for starting new utility connections; two months of fair market rent (as determined by HUD); and return of full security deposit.

[California Civil Code 1942](#) allows tenants to make certain repairs in cases where the property owner fails to perform required maintenance in a timely manner. The Code also provides protections against retaliatory actions such as rent increases and service reductions.

At-A-Glance

RELEVANT STATE LAWS

[California Health & Safety Code § 17920.3, 17970-17972, 17980-17992](#)

[California Civil Code § 1942](#)

POTENTIAL FUNDING SOURCES

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

COST

Low to Medium. Cost is dependent on the approach the jurisdiction chooses.

ADMINISTRATIVE BURDEN

 **Medium**

Staff capacity needed for designing and overseeing program, leading public and legislative processes. If the jurisdiction opts for a rental escrow program, staff time will be needed to identify funding sources.

EXTRA CONSIDERATIONS

 **Highly effective**

WHICH P?

Protection

POTENTIAL PARTNERS

- Property Owner Groups
- Nonprofit Service Providers
- Legal Aid Groups
- Tenant Advocacy Groups

OPTION FOR TOC POLICY COMPLIANCE?

Yes!



How Can Jurisdictions Implement Programs That Go Beyond State Law?

Jurisdictions can establish a minimum frequency for rental inspections to proactively ensure property owners are complying with building codes, rather than just conducting inspections in response to complaints. They can ensure an

accessible, safe and effective reporting process for tenants. Jurisdictions can also provide financial assistance to property owners to help them address noncompliance with building code standards. They can also provide educational materials for tenants and landlords.

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 to both property owners and tenants
- Defined process by which tenants can report issues
- Regular, proactive monitoring for building code violations
- Relocation support for tenants (financial and/or non-financial)
- Financial assistance for low-income property owners

Program Design Considerations

Jurisdictions may want to consider the following:

EASE OF REPORTING: Making the reporting process as easy as possible for tenants. Tenants should have a clear method of reporting violations to their jurisdiction, for example through a single point of contact or portal for reporting violations via internet, phone, and/or in-person. Jurisdictions can consider anonymous reporting and ensure that staff responds to reports in a timely manner.

RELOCATION SUPPORT: In the case of sudden no-fault evictions due to code enforcement, jurisdictions can advance relocation assistance to tenants if the landlord does not comply with payment, or provide additional financial or non-financial support, such as access to service providers or a relocation advisor.

RENTAL ESCROW PROGRAMS AND EXPANDED “REPAIR AND DEDUCT” RIGHTS: Implementing a rental escrow program or support for repair-and-deduct rights—a tenant’s right to make repairs to their rental property when a landlord fails to do so within a reasonable time and deduct the cost from their rent—will allow tenants to withhold rent or make necessary repairs without retaliation from the landlord, incentivizing rehabilitations to be made in a timely manner. In a rental escrow program, rent is deposited into a separate account that can only be accessed by the property owner to fund required repairs or upon completion of repairs. The right for tenants to repair-and-deduct is protected in state law, but jurisdictions can provide additional support such as information on rights and a staff contact. Both of these programs can be strengthened with required rent reductions until repairs are completed.

PROPERTY OWNER EDUCATION: Providing clear, easy-to-understand information about property owners' responsibilities. Partnering with property owner associations and providing translated materials can help ensure the information is clear, accessible and reaches a wide audience.

TEMPLATES FOR PROPERTY OWNERS: Developing informational handouts outlining tenant rights when beginning code compliance efforts, notices of requested repairs for tenants to submit to landlords and habitability plans for landlords to complete.

HABITABILITY PLANS: Requiring landlords provide habitability plans during the code compliance process to prioritize timely habitability. Habitability plans serve as commitments between landlords and the jurisdiction to protect tenants from displacement and preserve affordability. Habitability plans can include progress updates to tenants, commitments to continue renting the unit to the existing tenant and any relocation compensation.

FINANCIAL ASSISTANCE FOR LOW-INCOME PROPERTY OWNERS: Providing assistance to support property owners in maintaining compliance with building code standards. In exchange for assistance, jurisdictions can put in restrictions that help ensure stability for tenants, such as limits on rent increases for a period of time. Financial assistance can take the form of grants, loans or technical assistance to help prevent forced sale of the property. 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 Implementation, Administration and Enforcement

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

Code Enforcement programs and programs to prevent displacement from substandard conditions are generally established through ordinances that define program goals and parameters. Ordinances may also lay out which properties the program applies to, inspection protocols, program fees, and what happens if a property is found not in compliance.

Upon developing a program, jurisdictions can focus on putting key program elements in place as soon as possible, such as establishing a point of contact for tenant assistance (for example, city staff or a relocation assistance consultant) and providing resources for legal services, as well as contact information for relevant community-based organizations. Jurisdictions can also provide training so that building department staff and inspectors understand the law and can monitor proactively.


Partnerships can reduce the burden on staff capacity and department budgets while improving program reach and accessibility. Nonprofit organizations can also administer support programs for property owners and access additional grant funding. Jurisdictions can also consider collaborating with other communities to help standardize code enforcement policies and practices across neighboring cities and share staff resources and expertise.

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 jurisdictional websites, and template

forms can be made available on websites as well in paper forms for residents to submit complaints.

Over the long term, 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 is also key. 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.

 **TOC Policy Requirements:** To comply with TOC policy, jurisdictions must adopt either a rental escrow program or loan or grant program. Adoption of both is encouraged but not required for compliance.

Rental Escrow Program:

- Tenants experiencing persistent habitability issues receive rent reductions and rental payments are deposited into an escrow account until code violations are addressed.
- While rental funds are in escrow, the landlord can request access to them only for repairs, tenant relocation assistance and other qualifying expenses.
- Clearly define the circumstances in which a tenant can safely withhold or reduce rent without fear of eviction.

Loan or Grant Program:

- Offer grants or interest-free loans to repair substandard or inadequate conditions in exchange for anti-displacement protections for tenants.

- Jurisdictions may set income qualifications for funding recipients.
- May satisfy either Protection Policy 7 or Preservation Policy 8, but not both.

Tenant Habitability Plan:

- Complete a tenant habitability plan as part of the permitting process for repairs to address code issues, including how the landlord will assist with temporary relocation.

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 and whether reporting mechanisms are easily accessible and available in multiple languages. They can also evaluate whether property owners are able to reasonably meet requirements for assistance programs, and whether any financial assistance available to owners meaningfully reduces the cost burden of repairs.

Complementary Policies

RIGHT TO RETURN: By protecting tenants' right to return, jurisdictions can ensure that if a tenant is living in substandard conditions and is displaced because of the need for repairs or renovations, they can move back into their unit once repairs are completed.

LEGAL ASSISTANCE FOR TENANTS: Legal assistance for tenants can help ensure that tenants have legal support to 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.

Other Resources

EXAMPLES*

[City of Richmond - Residential Rental Inspection Program](#)

City of Healdsburg - Partners with nonprofit [Corazón Healdsburg](#) to act as an intermediary between vulnerable tenants and code enforcement.

[City of Los Angeles - Code Enforcement Inspection Program](#)

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

[Metropolitan Transportation Commission - Protection Policy 7: Preventing Displacement from Substandard Conditions and Associated Code Enforcement Activities](#)

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