

Date of Hearing: June 20, 2018

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT

David Chiu, Chair

SB 1415 (McGuire) – As Amended May 25, 2018

SENATE VOTE: 36-0

SUBJECT: Housing

SUMMARY: Requires building inspections of specified industrial and storage structures, authorizes fees to cover inspection costs, requires reporting of the backlog of mandated building inspections by local governments, and generally extends existing tenant protections and notifications to buildings which are used for human habitation, of which residential buildings are a subset. Specifically, **this bill:**

- 1) Requires local governments to annually report to the State Fire Marshall on the number of structures which it is required to inspect and the number which are overdue for inspection. These reports shall be published on the State Fire Marshal's Web site.
- 2) Requires local governments to, at least every five years, inspect specified industrial and storage structures, as defined, for which the local government may assess a fee.
- 3) Requires an enforcement agency that finds a building in violation of the California Building Standards Code (CBSC) to include in the notice to the owner to abate the violation the needed repairs and the codes being violated, with specific exemptions.
- 4) Requires a court to appoint a receiver if an enforcement agencies, tenants, or tenant associations petitions a court to appoint a receiver for a substandard building unless the owner can provide clear and convincing evidence that the existing law regarding code violations and notice requirements were not followed.
- 5) Clarifies that a receiver can be appointed for any property used for human habitation.
- 6) Requires payment of relocation benefits to a tenant displaced because of a building violation that endangers the immediate health and safety of the residents if the unit is used for human habitation, regardless of zoning designation.
- 7) Clarifies that enforcement agencies may also enforce their municipal codes and municipal building and fire codes in addition the CBSC.
- 8) Requires that enforcement agencies post notice of any violation, orders and permits on a building.
- 9) Clarifies that any person, who acquires a property which is in violation of building codes and is in receivership, shall be responsible for any costs and fees of the receiver and the enforcement agency

EXISTING LAW:

- 1) Requires local officials, typically the local fire chief or his/her representative, to conduct annual fire safety inspections on K-12 schools, multi-family dwellings and high rise dwellings, and requires the State Fire Marshall to biannually inspect jails and prisons. Fees to conduct these inspections are authorized.
- 2) Requires an enforcement agency that finds a building in violation of the California Building Standards Code to notify the owner to abate the violation.
- 3) Requires that such notice shall specifically identify the needed repairs and the codes being violated, with specific exemptions.
- 4) Authorizes enforcement agencies, tenants, or tenant associations to petition a court to appoint a receiver for a substandard building if the owner fails to comply within a reasonable time with the terms of the notice of violation. The receiver takes complete control of the building, including management and repairs to remedy any violations. The court has broad discretion in its decision.
- 5) Provides for the payment of relocation benefits to a tenant who is displaced because of a building violation that endangers the immediate health and safety of the residents.
- 6) Allows enforcement agencies to enforce provisions of the California Building Standards Code.
- 7) Requires enforcement agencies to provide each resident with copies of any notices of violation, orders and permits.
- 8) Provides that receivers are entitled to the same fees, commissions, and necessary expenses as receivers in actions to foreclosed properties.

FISCAL EFFECT: Unknown.

COMMENTS:

Purpose of this bill: According to the author, warehouses and factory spaces sometimes are converted to residential use without the knowledge of local officials. These buildings aren't covered under state laws mandating fire inspections, meaning that unsafe conditions can go undetected for years. Even if local officials discover a dangerous building, variation in how judges interpret the law make it difficult for locals to use all of their available tools, particularly when a space is used as an unpermitted residence. At the same time, not all jurisdictions make it easy to bring buildings up to code. Notices of violation often don't tell building occupants what they need to fix or how to fix it. SB 1415 responds by beefing up local inspections by ensuring that spaces often used as unpermitted residences are regularly inspected, and allows local officials to charge a fee to cover those inspections. It also ensures accountability by requiring reports on inspections already mandated by law. Once a dangerous building is discovered, SB 1415 improves the tools that local governments have by ensuring that receivership laws and relocation benefits apply to any space used for habitation, regardless of legal status, and by removing other hurdles to enforcement. Finally, SB 1415 makes it easier for tenants and

landlords to bring buildings up to code by directing local officials to identify specific violations of building codes and offer advice on how to fix those violations.

Background: In December 2016, a deadly fire at an Oakland warehouse, known as the Ghost Ship, killed 36 people, the highest death toll for a structural fire in the United States in over 10 years. The Ghost Ship was a two-story warehouse that had been leased to artists who lived and worked in the building, periodically using it for events. Zoned as a warehouse, neither residential nor assembly uses were permitted by the city. Issues with the Ghost Ship had surfaced prior to the fire: The City of Oakland documented 39 code enforcement inspections and 10 code enforcement complaints of the warehouse and the adjacent vacant lot between 2004 and 2016. Media reports suggest that the Ghost Ship hadn't been inspected in 30 years. Had an inspection occurred, officials could have raised concerns about the safety and occupancy of the building. Two people, including the property manager, have been criminally charged because of the deaths.

New inspection requirements: This bill would require local governments to inspect specified industrial and storage structures every five years. These structures include buildings used for assembly, manufacturing, packaging, repair and storage, including of hazardous materials. (Current law gives local governments the discretion to determine how often these structures should be inspected.) Additionally, this bill requires local governments to annually report to the State Fire Marshal on how many structures they are required to inspect and how many are overdue for inspection. By publishing this information the author intends to increase the incentive for local governments to perform these required inspections.

REGISTERED SUPPORT / OPPOSITION:

Support

California Association of Code Enforcement Officers
California Building Officials
California Business Properties Association

Opposition

None on file

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