





Legal Alert

SB 1465—Receiverships & Health & Safety Code

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Effective January 1, 2025

Legal Update: Effective January 1, 2025, California amended the Health and Safety Code to beef-up receiverships and substandard building enforcement for cities and counties.

On September 22, 2024, the California Legislature passed SB 1465, impacting the enforcement of substandard housing used for human habitation. SB 1465 amended the Health and Safety Code (“H&S”) to broaden the definition of substandard housing to include all buildings used for habitation (even if not intended to be housing). SB 1465 also expands enforcement powers for cities and counties to uphold community standards, including beefing up the Receivership remedy, which was already one of the strongest code enforcement tools available to rehabilitate substandard buildings.

SB 1465 Highlights

- **Clarifies Definition of Substandard Housing.** Any building can be considered a substandard building if it is used for human occupation, regardless of zoning designation.
- **Receivership Powers Broadened.** Receivers may be appointed and given powers pursuant to overlapping statutes. The provisions of the H&S may apply in addition to other statutory powers, thus expanding the powers and means of enforcement.
- **Cost Recovery Protections for Cities, Counties, & Receivers.** Entities that acquire an ownership interest in a receivership property become liable for the costs of the city, county, and receiver.

- **Extended Court Jurisdiction.** The courts may retain jurisdiction over substandard buildings beyond the previously established 18-month time limit—allowing the court to ensure that properties remain in compliance for longer.
- **No Appeal Stays.** Appeals of receivership orders will not prevent the receivership action from proceeding except in extraordinary circumstances.
- **Nearby Residents Protected.** Nearby residents are distinguished alongside occupants and the public as those whose health and safety is impacted by substandard buildings, emphasizing the impacts of substandard buildings on the entire community.
- **Owner Incentives.** Owners are incentivized to diligently prosecute trespassing occupants. Nonetheless, enforcement may continue if the enforcement agency determines the substandard building poses risk to tenants, nearby residents, or the public, regardless of whether the owner is pursuing actions against trespassers.

Impact on Cities & Counties

These amendments to the H&S provided by SB 1465 make it easier and more efficient for cities and counties to pursue receivership actions against substandard buildings. Receiverships remain one of the most effective tools in municipalities' arsenal to ensure safe and compliant buildings in their communities, and the changes provided in SB 1465 expand those powers and make it easier for cities and counties to enforce against substandard properties.

By broadening the definition of substandard buildings to all buildings used for habitation, and expanding the powers of Receivers, municipalities can pursue actions against more substandard buildings that threaten the health and safety of their communities. SB 1465 allows for courts to give receivers cumulative powers that allow them to pursue different avenues of compliance, including the powers provided in the H&S. These updates to the H&S are another step in the right direction to strengthen receivership powers and empower code enforcement agencies to keep their communities safe, even from the most troublesome properties.

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