UCLA Luskin Center for Innovation

LANDLORDS: Role in premise plumbing solutions

POLICY BRIEF | JANUARY 2024

Summary

Landlords can help address issues with tenant water quality and tap water trust when the source of the problem appears to stem, either in whole or in part, from premise plumbing. Landlords are responsible for on-property pipes and the lateral pipes connecting to a water system main as part of their legal mandate for keeping units safe and well maintained, which includes having plumbing in good working order. This means that landlords are <u>responsible</u> for monitoring and addressing many of the aesthetic effects (i.e., discolored or smelly water) that come from premise plumbing. Ensuring pipes and fixtures are in proper working order, and are repaired or replaced, could improve tap water quality and tenants' quality of life and trust in tap water.

There is a great diversity of landlord types (i.e., mom and pop, family investors, management companies, property developers, institutional investors, etc.) with varied resources and challenges. In 2019, Strategic Actions for a Just Economy <u>found</u> that rental units in the City of Los Angeles were owned by corporate entities (43%), individuals (33%), trusts (23%), and the government (1%). Without direct public financing or regulatory pressure, landlords generally have little incentive or interest in addressing premise plumbing. In cases of rent control, and even some without it, landlords may be unable to fully recover the cost of premise plumbing upgrades because they are not fully visible to buyers.



Recommendations

Landlords can help advance solutions to premise plumbing concerns by implementing the following:

- Respond to tenant tap water complaints in a timely manner to support tenant trust and health
- 2. Advocate for financial assistance for small-scale landlords from cities or counties
- 3. Cooperate with state and local reforms



Detailed Recommendations

RECOMMENDATION 1

Respond to tenant tap water complaints in a timely manner to support tenant trust and health

▶ Background: Landlords, along with water systems and public health agencies, are the first touch point for tenants experiencing issues with their tap water. Landlords have a market-driven incentive and legal obligation to maintain rental properties and to respond to tenant complaints in a timely manner as part of providing quality service. At the same time, pipe materials and age vary inequitably in Los Angeles County and the state, which can impact the contaminants present in premise plumbing. Tenants' complaints and tap water test results could be indicative of broader problems within the property's plumbing system or water source; addressing these concerns swiftly is essential to safeguarding the health and well-being of residents. Ignoring or delaying responses to tap water complaints could expose landlords to potential legal liabilities and costly disputes.

► **Related Code:** Landlords are responsible for keeping units safe and well maintained, which

includes having plumbing in good working order.¹ However, the <u>penalty</u> for landlords does not kick in unless four conditions hold true, which can lead to slow or inadequate enforcement. California law states that landlords must make immediate repairs if a tenants' health or safety is threatened, and nonurgent repairs should be made within 30 days.²

► Best Practices: Because they are responsible for keeping units safe and well maintained, landlords should acknowledge tenant tap water complaints and tap water testing results that indicate potential premise plumbing contamination as quickly as possible and take immediate action to investigate and resolve the issue.

Furthermore, landlords could benefit from fact sheets and visuals that outline best procedures for addressing tap water complaints; this information could be posted in and/or around rental properties. Webpages and fact sheets were created³ to inform landlords and tenants about rent increase limits starting in 2020; and landlords could advocate for, create, and/or distribute similar documents in multiple languages about how to address tap water concerns.

Establishing and monitoring a regular line of

communication for tenants' general complaints (whether online, in-person, via mail, or over the phone) can ensure tap water issues are addressed quickly. To help identify potential contaminants, landlords could conduct regular testing and inspections of premise plumbing and be responsive to testing results. To promote tenant trust in the process and results, testing could be conducted or overseen by a third party, such as the local water system or a nonprofit. One example of this is the Bay Area Disadvantaged Community and Tribal Involvement Program. (For more info, see our <u>Advocacy Organizations Policy</u> Brief.)

RECOMMENDATION 2

Advocate for financial assistance for small-scale landlords from cities or counties

► **Background:** Premise plumbing repairs are an effective way to improve water access, affordability, conservation, and efficiency. Premise plumbing repairs can enable residents to spend less money on alternative water and offset long-term health costs from drinking contaminated water. However, additional <u>funding</u> is needed, especially for lowincome tenants and small-scale landlords. For instance, replacing corroding or leaking pipes is one of the most <u>costly</u> premise plumbing repairs — as much as \$25,000, depending on the severity of corrosion and frequency of leaks.

► Related Code: The City of L.A.'s "Retrofit on Resale" ordinance for water efficiency requires residential property sellers to retrofit the property with water-saving devices. The city's Water Efficiency Requirements ordinance requires new buildings and new plumbing in existing buildings to meet certain efficiency standards. These ordinances could justify premise plumbing upgrades on a property by qualifying them as water efficient. However, it is unclear whether landlords can afford to make these upgrades without passing on the cost to tenants.

► Best Practices: Landlords could lobby local and state policymakers to provide additional funding for small-scale landlords to address premise plumbing issues and comply with existing laws. Landlords can work via lobbying groups or associations like Alliance of Californians for Community Empowerment Action, Housing California, or Housing NOW!, which have successfully advocated for housing justice policies in California. Subsidies could be created at the city or county level to help small-scale landlords update pipes; the Los Angeles Department of Water and Power provides helpful <u>subsidies</u> for energy efficient upgrades that could be used as a model.

Another potentially replicable financial assistance model for cities or counties to employ to support premise plumbing upgrades by landlords is the use of deferred special assessments. In California, assessment districts are a commonly used tool to finance improvements when no other source of money is available (California Tax Data, n.d.). Cities or counties can form a district and finance improvements to private property, which owners defer paying back until they sell the property.

Local governments, which also run water systems, could explore potential avenues for program models that assist households pay for infrastructure upgrades in small installments on their water bill. These could be equivalent to what households typically pay for bottled water for the month.

RECOMMENDATION 3 Cooperate with state and local reforms

► Background: Without a legal mandate or financial incentive, landlords may not be motivated or able to make premise plumbing repairs. Additionally, tenant-landlord <u>relationships</u>, especially among undocumented and/or low-income communities, may deter tenants from filing formal complaints or approaching their landlord for assistance with water issues or repairs. However, landlords and property owners are an important party in finding and ensuring sustainable long-term premise plumbing solutions.

Related Code: Not applicable

► Best Practices: The L.A. Housing Department provides a <u>guide</u> for landlords with information on how to comply with the Rent Stabilization Ordinance; a similar guide on complying with state reforms could prove helpful. The department also provides a hotline in multiple languages for free assistance and <u>resources</u> for landlords, and it could explicitly provide information on premise plumbing issues.

Furthermore, new EPA Lead and Copper Rule revisions require water systems to inventory the customer side of the service line and create a plan for replacing lead and galvanized service lines, including on the customer side. This is a time-sensitive process that landlords could work with water systems to accomplish. In addition, the EPA proposed new restrictions in November 2023 that would require the removal of virtually all lead water pipes across the country in the next 10 years. Replacing these service lines could provide other benefits beyond reducing risk of lead contamination — such as improving water efficiency and taste.

State and local reforms could also discourage or prohibit landlords who make premise plumbing upgrades from leaving tenants without water for extended periods with little to no notice. Landlords could offer alternative water sources to ensure they are providing an adequate amount of water to tenants at all times. The Strategic Actions for a Just Economy's <u>work</u> on this related to building decarbonization might offer some insights.

NOTES

- 1 See <u>California Civil Code §1941.1</u> and <u>California</u> <u>Tenants Guide</u>
- 2 See <u>Repairing Your Rental Unit webpage</u> and <u>California Civil Code §1942</u>
- 3 See West Hollywood AB 1482 webpage, NLSLA fact sheet, and CalRHA webpage

AUTHORSHIP

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DISCLAIMER

The views expressed herein are those of the authors and not necessarily those of the University of California, Los Angeles as a whole. The authors alone are responsible for the content of this report.

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