



## CITY OF CARSON

### PLANNING COMMISSION STAFF REPORT

PUBLIC HEARING: July 9, 2019

SUBJECT: Proposed Recommendation to City Council Amending Carson Municipal Code Chapter 9, Residential Property Report

APPLICANT: City of Carson

REQUEST: To Consider Adoption of Planning Commission Resolution No. 19-XXXX, recommending that the City Council adopt Ordinance 19-XXXX that amends the Carson Municipal Code, Article V (Sanitation and Health), Chapter 9 (Residential Property Report) to repeal the Residential Property Report (RPR) requirement for all residential real property sales.

PROPERTY INVOLVED: City-wide

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#### COMMISSION ACTION

AYE	NO		AYE	NO	
		Chairman Pimentel			Palmer
		Vice-Chair Cainglet			Rahman
		Fe'esago			Rashad
		Madrigal			Valdez
		Mitoma			Alt. Diaz Alt. Hellerud Alt. Zuniga

## **I. Introduction**

The Planning Commission is being asked to make a recommendation to the City Council to amend the Carson Municipal Code, Article V (Sanitation and Health), Chapter 9 (Residential Property Report) to repeal the Residential Property Report (RPR) requirement for all residential real property sales. The recommendation is proposed to be made via Planning Commission Resolution No. 19-XXXX (Exhibit No. 1), which incorporates the draft Ordinance (Exhibit No. 2).

On April 20, 1999, the City established the Residential Property Report (RPR) Program ("The Program") with the intent to preserve and improve the quality of neighborhoods in Carson. The report identifies building code and zoning violations of residential properties and requires the seller to correct violations prior to closing of escrow of residential real property sales. Building and Safety inspectors create residential property reports during pre-sale inspections.

On July 19, 2016, at the direction of the City Council, an RPR Ad Hoc Committee (Committee) was formed to evaluate the Program and to meet with members of the South Bay Association of Realtors and other interested parties to gather input, discuss concerns and return with recommendations to the City Council.

The Committee met several times in the last three years and considered several options to modify the Program. At the June 12, 2018 meeting the Committee agreed to end the Program based on the following assumptions:

- Real estate professionals will be responsible for correcting outstanding building and zoning code violations;
- There will be costs savings to the City realized by eliminating a financially subsidized program; and
- Ending pre-sale inspections will reduce the City's liability exposure.

On April 2, 2019, based on the recommendation of the Committee, the City Council directed staff to formally eliminate the Program and bring this matter before the City Council for decision. At that time, the City Council made the following requests (Exhibit No. 1):

- Notify the South Bay Association of Realtors of the proposed change and public hearing date before the City Council;
- Meet with the South Bay Association of Realtors prior to City Council public hearing;
- Recommend removing County liens/notes on all properties affected by the Program;
- Create a checklist consisting of a realtor's responsibilities for the sale of residential properties to ensure all Building and Planning code violations are addressed by the real estate professionals; and

- The City will continue to be responsible for addressing illegal garage conversions and additions.

## **II. Background**

The Residential Property Report (RPR) is a residential pre-sale inspection program that consists of three basic components:

### **1. RPR Notice Recordation**

In 2005, the City Council approved the recordation requirement. The City records a notice against the title of residential properties to advise the stakeholders to obtain an approved RPR before the close of escrow.

### **2. Inspections**

The Program currently requires exterior inspections of the properties and interior inspections of garages and other non-residential/non-habitable structures to determine non-permitted structural additions, modifications, and alterations. Most common violations include illegal garage conversions to habitable space, illegal room additions, and unpermitted structural changes. The violations identified during this process are the responsibility of the seller to correct before the close of escrow.

### **3. Property Remediation Agreement**

The Program allows the buyer to accept responsibility to correct the RPR violations after escrow closes with a Property Remediation Agreement ("The Agreement"). The buyer is required to deposit funds into an escrow account (usually with the same escrow holder that is handling the sale) ensuring compliance with the Agreement. The Program currently requires three bids from building contractors to determine the amount to be placed in an escrow account to correct these violations. The escrow funds are released to the buyer upon compliance with the Agreement.

## **III. Analysis**

The RPR program has often times proven to be slow, costly and with inconsistent title recordation results.

### **1. Transaction Delays**

Compliance with the Program, pre-sale inspections and the requirement to correct violations could delay the closing of escrow. Over the years, the pre-sale inspection scope of work expanded as a result of the City adopting various statewide and countywide plumbing, electrical and fire code updates that, for example, required operable smoke and carbon monoxide detectors, ground-fault circuit interrupters, and water heater safety measures such as earthquake strapping. This expansion resulted in an increase of interior inspections and overlapping inspections between the RPR inspector and appraisers, agents, and home inspectors to ensure compliance with the Program.

The Committee and representatives of South Bay Association of Realtors identified seventeen (17) out of eighteen (18) RPR inspections as overlapping inspections between the RPR inspector, real estate agents, appraisers, and home inspectors (Exhibit No. 4).

The expanded inspection scope of work caused transaction delays due to the increased actionable code changes that were incorporated into the Program and were required to be corrected before close of escrow.

2. Property Remediation Agreement: Cumbersome and Costly

A property remediation agreement allows the buyer to assume responsibility to clear the noted violations after the residential property sells. This process can be cumbersome, as it requires submitting three building contractor bids to determine the cost of corrections. This process can be costly to the buyer as it requires a deposit equal to the cost of the corrections into escrow.

3. RPR Notice Recordation: Inconsistent Results

Over the years, the recordation has not been as consistent as expected because sales of properties have occurred through auctions, online sales, and sales without an approved RPR, resulting in inconsistent application of the Program.

4. Fiscal Responsibility: End City Subsidy to the Program

Sellers of properties pay the associated fee for the Program. The \$150 fee (e.g. for single-family house) only pays for a portion of staff time that administers the Program. For the 2017-2018 fiscal year, the cost to operate the Program was approximately \$232,000 (this includes staff time). According to staff's analysis, the revenue generated was \$81,525 resulting in the Program operating at an approximate \$150,475 deficit.

5. Liability Exposure

The Committee expressed concerns about City liability exposure as a result of the RPR building inspectors overlooking any building or zoning violations during the course of the pre-sale inspection.

#### **IV. Unpermitted Garage Conversions and Additions**

The City will continue its oversight of abating illegal garage conversions and additions. Observed violations and submitted complaints regarding these shall be managed by the Public Safety Division through Code Enforcement action.

The Public Safety Department's Code Enforcement generally has a three-step process for these types of violations:

- Step 1  
Issue a Warning Notice requesting to correct the violation;
- Step 2  
Issue an official Notice of Code Violation consisting of a deadline to correct the violation if unresponsive to the Warning Notice; and
- Step 3

Legal action: Citation to go to court if uncooperative to correcting the violation

## **V. Notice Recodation**

The Council has directed staff to remove the RPR Notices from the titles of the City's residential properties. According to the Los Angeles County Recorder's Office, the cost to remove the notices is \$8.00 per parcel. Records show about 21,110 properties were recorded with the RPR Notices in 2005 and there are currently 22,897 residential properties in Carson (source: GIS). The cost to remove the Notices from all residential properties is approximately \$183,176.

The Planning Commission has the following less expensive options to consider and make recommendations to the City Council:

- Option 1:  
Do not remove RPR Notices: Notify the South Bay Association of Realtors and local escrow companies that the Program has ended. This option allows real estate professionals to share the information with their respective members and clients.
- Option 2:  
Do not remove RPR Notices: Upon request, staff will advise that the Program has ended and offer to provide a confirmation letter.
- Option 3:  
Remove RPR Notices: On a case-by-case basis upon the property owner's request, staff would remove the notice at a cost of \$8 per request.

The balance of the Chapter regarding Residential Care Facilities and the Foreclosed Vacant Residential Property Program will remain because the Committee did not recommend ending these programs.

## **VI. Conclusion**

On April 2, 2019, the City Council voted 4-0 agreeing to direct staff to bring back an ordinance eliminating the program.

The following are the proposed amendments to the CMC, Residential Property Report Program (Exhibit No 5):

Section 5920 Required.

- Existing Language:
  - (a) No owner of residential real property shall transfer title and/or convey ownership for such property without first providing the prospective buyer with a copy of a valid residential property report for the property.
- Proposed Amendment:

- (a) No owner of residential real property shall transfer title and/or convey ownership of ***a residential care facility*** without first providing the prospective buyer with a copy of a valid residential property report for the property.

## **VII. Environmental**

Pursuant to Section 15061(b)(3) the proposed Ordinance amendment is exempt from the California Environmental Quality Act (CEQA) since the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

## **VIII. Public Notice**

Public notice was published in Our Weekly on May 16, 2019. The agenda was posted at City Hall 72 hours prior to the Planning Commission meeting.

## **IX. Recommendation**

That the Planning Commission:

- **WAIVE** further reading;
- **ADOPT** Resolution No. 19-\_\_\_\_\_, recommending that the City Council Adopt Ordinance No. 19-\_\_\_\_\_ that amends the Carson Municipal Code, Article V (Sanitation and Health), Chapter 9 (Residential Property Report) to repeal the Residential Property Report (RPR) requirement for all residential real property sales.

## **X. Exhibits**

1. Post-Council Agenda CC 4-2-2019 (excerpt)
2. PC Resolution No. 19-
3. Draft City Council Ordinance No. 19-1933
4. RPR Checklist Comparison to Real Estate Professionals
5. Copy of CMC Chapter 9: Residential Property Report

Prepared by: A. Betancourt, Planning Manager

**CITY OF CARSON**

**PLANNING COMMISSION**

**RESOLUTION NO. 19- XXXX**

**A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF CARSON RECOMMENDING THAT THE CITY COUNCIL ADOPT AN ORDINANCE AMENDING ARTICLE 5 (SANITATION AND HEALTH), CHAPTER 9 (RESIDENTIAL PROPERTY REPORT) SECTION 5902 (REQUIRED) OF THE CARSON MUNICIPAL CODE TO REPEAL THE RESIDENTIAL PROPERTY RERPORT (RPR) REQUIREMENT FOR ALL RESIDENTIAL REAL PROPERTY SALES**

**WHEREAS**, on April 20, 1999, the City established the Residential Property Report (RPR) Program (“The Program”) with the intent to preserve and improve the quality of neighborhoods in Carson. The report identifies building code and zoning violations of residential properties and requires the seller to correct violations prior to closing of escrow of residential real property sales. Building and Safety inspectors create residential property reports during pre-sale inspections.

**WHEREAS**, on July 19, 2016, at the direction of the City Council, an RPR Ad Hoc Committee (Committee) was formed to evaluate the Program and to meet with members of the South Bay Association of Realtors and other interested parties to gather input, discuss concerns and return with recommendations to the City Council.; and

**WHEREAS**, The Committee met several times in the last three years and considered several options to modify the Program. At the June 12, 2018 meeting the Committee agreed to end the Program based on the following assumptions:

- Real estate professionals will be responsible for correcting outstanding building and zoning code violations;
- There will be costs savings to the City realized by eliminating a financially subsidized program; and
- Ending pre-sale inspections will reduce the City’s liability exposure.; and

**WHEREAS**, on April 2, 2019, based on the recommendation of the Committee, the City Council directed staff to formally eliminate the Program and bring this matter before the City Council for decision. At that time, the City Council made the following requests (Exhibit No. 1):

- Notify the South Bay Association of Realtors of the proposed change and public hearing date before the City Council;
- Meet with the South Bay Association of Realtors prior to City Council public hearing;
- Recommend removing County liens/notes on all properties affected by the Program;
- Create a checklist consisting of a realtor’s responsibilities for the sale of residential properties to ensure all Building and Planning code violations are addressed by the real estate professionals; and

- The City will continue to be responsible for addressing illegal garage conversions and additions; and

**WHEREAS**, after reviewing the entire project record, it has been determined that there is no substantial evidence that Zoning Ordinance No. 2019-XXX will have a significant effect on the environment; and

**WHEREAS**, on May 16, 2019, the Planning Division published a public hearing in the “Our Weekly”; and

**WHEREAS**, on May 28, 2019 and July 9, 2019, the Planning Commission conducted a duly noticed public hearing on the proposed amendment, at which hearing the Commission carefully reviewed and considered all of the evidence presented in connection with the proposed amendment, including but not limited to the staff report and all written and oral testimony presented; and

**WHEREAS**, studies and investigations were made and a staff report with recommendations was submitted; and

**NOW, THEREFORE, THE PLANNING COMMISSION OF THE CITY OF CARSON, CALIFORNIA, HEREBY RESOLVES AS FOLLOWS:**

**SECTION 1.** The Planning Commission finds that all of the facts set forth in the Recitals of this Resolution are true and correct.

**SECTION 2.** The public health, safety and welfare would not be adversely affected by approval of the proposed amendment to the Carson Municipal Code, Article V (Sanitation and Health), Chapter 9 (Residential Property Report) to repeal the Residential Property Report (RPR) requirement for all residential real property sales. The General Plan 2004 under Chapter 2, Land Use promotes the elimination of all evidence of property deterioration throughout Carson.

**SECTION 3.** Pursuant to Section 15061(b)(3) the proposed ordinance amendment is exempt from the California Environmental Quality Act (CEQA) since the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

**SECTION 4.** The Secretary of the Planning Commission shall certify to the adoption of this Resolution.

**SECTION 5.** Based upon the findings and conclusions set forth above, the Planning Commission hereby recommends that the City Council approve Ordinance No. 19-XXX, as described in the draft ordinance, attached hereto and made a part of this resolution.

[Remainder of page left intentionally blank]



**BE IT FURTHER RESOLVED**, that the Secretary of this Commission be directed to transmit to the City Council a copy of this resolution as the report of the findings and recommendations of the Planning Commission with reference to this matter.

This recommendation was adopted by the following vote at the Planning Commission meeting of July 9, 2018:

**APPROVED** and **ADOPTED** this 9th day of July 2019.

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Secretary  
City Planning Commission

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Chairperson  
City Planning Commission

ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, AMENDING CHAPTER REPEALING ORDINANCE NOS. 99-1155 AND 99-1173U AND AMENDING ARTICLE 5 (SANITATION AND HEALTH), CHAPTER 9 (RESIDENTIAL PROPERTY REPORT) SECTION 5902 (REQUIRED) OF THE CARSON MUNICIPAL CODE TO REPEAL THE RESIDENTIAL PROPERTY RERPORT (RPR) REQUIREMENT FOR ALL RESIDENTIAL REAL PROPERTY SALES.**

**WHEREAS**, on April 20, 1999, the City established the Residential Property Report (RPR) Program ("The Program") with the intent to preserve and improve the quality of neighborhoods in Carson. The report identifies building code and zoning violations of residential properties and requires the seller to correct violations prior to closing of escrow of residential real property sales. Building and Safety inspectors create residential property reports during pre-sale inspections.

**WHEREAS**, on July 19, 2016, at the direction of the City Council, an RPR Ad Hoc Committee (Committee) was formed to evaluate the Program and to meet with members of the South Bay Association of Realtors and other interested parties to gather input, discuss concerns and return with recommendations to the City Council.; and

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- Recommend removing County liens/notes on all properties affected by the Program;
- Create a checklist consisting of a realtor's responsibilities for the sale of residential properties to ensure all Building and Planning code violations are addressed by the real estate professionals; and
- The City will continue to be responsible for addressing illegal garage conversions and additions; and

**WHEREAS**, the Planning Commission held a duly noticed public hearing on July 6, 2019, and adopted Resolution No. 2019-XXX recommending that the City Council approve the amendments to the Carson Municipal Code as set forth in this ordinance; and

**WHEREAS**, the City Council held a duly noticed public hearing on July 16, 2018, to consider introducing this Ordinance and take public testimony; and

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, DOES FIND AND ORDAIN AS FOLLOWS:**

**SECTION 1.** The public health, safety and welfare would not be adversely affected by approval of the proposed amendment to the Carson Municipal Code, Article V (Sanitation and Health), Chapter 9 (Residential Property Report) to repeal the Residential Property Report (RPR) requirement for all residential real property sales. The General Plan 2004 under Chapter 2, Land Use promotes the elimination of all evidence of property deterioration throughout Carson.

**SECTION 2.** Pursuant to Section 15061(b)(3) the proposed ordinance amendment is exempt from the California Environmental Quality Act (CEQA) since the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

**SECTION 3.** The following section will be amended from Carson Municipal Code Article 5, Chapter 9 – Residential Property Report:

**5902 Required.**

- Existing Language:
  - (a) No owner of residential real property shall transfer title and/or convey ownership for such property without first providing the prospective buyer with a copy of a valid residential property report for the property.
- Proposed Amendment:
  - (a) No owner of residential real property shall transfer title and/or convey ownership of *a residential care facility* without first providing the prospective buyer with a copy of a valid residential property report for the property.

**SECTION 4.** If any one or more of the provisions contained in this Ordinance shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Ordinance shall be construed as if such invalid, illegal, or unenforceable term or provision had never been contained herein.

**SECTION 5.** This Ordinance shall be in full force and effect thirty (31<sup>st</sup>) days after its adoption.

[Remainder of page left intentionally blank]

**SECTION 6.** The City Clerk shall certify to the adoption of this Ordinance, and shall cause the same to be posted and codified in the manner required by law.

**PASSED, APPROVED and ADOPTED** at a regular meeting of the City Council on this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

\_\_\_\_\_  
MAYOR ALBERT ROBLES

ATTEST:

\_\_\_\_\_  
CITY CLERK DONESIA GAUSE-ALDANA

APPROVED AS TO FORM:

\_\_\_\_\_  
CITY ATTORNEY SUNNY K. SOLTANI

RPR Inspection Comparison Checklist				
	Realtor	Appraiser	Home Inspector	RPR Inspector
1 <i>Security Bars:</i>				
Operable security bars with quick release		X	X	X
2 <i>Unpermitted Areas</i>				
Open and enclosed patios, additions, and accessory structures		X		X
<i>Garage:</i>				
3 Unpermitted garage conversion		X	X	X
Door between house and garage must be a 1-3/8" solid core door with a self-closing device and a				
4 locking latch		X	X	X
Install deadbolt lock with thumb latch on house side				
5 keyed on garage side self-closing device required.		X	X	X
<i>Plumbing:</i>				
6 Gas shut off valve is required		X	X	X
7 Remove illegal or non-complying gas line and cap off		X	X	X
8 All plumbing inspected			X	X
<i>Electrical:</i>				
9 Exposed romex not allowed		X	X	X
GFCI protection required to legalize unpermitted				
10 bathrooms, kitchen, laundry areas	X	X	X	X
Remove illegal/unpermitted electrical work or bring				
11 to code w/in garage or unpermitted areas		X	X	X
<i>Smoke and Carbon Monoxide Detectors:</i>				
12 Smoke and Carbon Monoxide Detectors	X	X	X	X
<i>Water Heaters:</i>				
Earthquake straps required on the top and bottom				
13 of water heater	X	X	X	X
T&P Valve drain to outside/drain downward and 6"				
14 above ground and correct gas connector		X	X	X
15 Water heater vent required		X	X	X
<i>Swimming Pool:</i>				
16 Gates leading to pool/spa must be self-closing		X	X	X
<i>Windows:</i>				
17 Broken window		X	X	X
18 All windows must be functional		X	X	
Emergency Egress				

## CHAPTER 9 RESIDENTIAL PROPERTY REPORT

### Sections:

- § 5900 Short Title.
- § 5901 Definitions.
- § 5902 Required.
- § 5903 Proof of Delivery.
- § 5904 Application.
- § 5905 Issuance.
- § 5906 Scope of Inspection.
- § 5907 Contents.
- § 5908 Duration.
- § 5909 Remediation of Property.
- § 5910 Refunds, Fees and Penalties.
- § 5911 Validity of Transactions.
- § 5912 City Immunity.
- § 5913 Exemptions.

### 5900 Short Title.

This Chapter shall be known and may be cited as the Residential Property Report Ordinance. (Ord. 99-1155, § 2)

### 5901 Definitions.

As used in this Chapter, unless the context otherwise clearly indicates, the following words and phrases are defined as set forth below:

- (a) "Residential care facility" shall have the same meaning as the term is used in California Health and Safety Code Section 1520.5.
- (b) "Director" shall mean the Community Development Director or the designee thereof.
- (c) "Owner" shall mean any individual, partnership, copartnership, firm, association, joint stock company, corporation or combination thereof having legal or equitable title in residential real property.
- (d) "Residential property report" shall mean a document issued by the City pursuant to this Chapter.
- (e) "Residential real property" shall mean improved or unimproved real property zoned or used for dwelling purposes and shall include any structures or buildings located on such property.
- (f) "Agreement" shall mean any agreement providing for the transfer of title or conveyance of ownership in residential real property.
- (g) "Beneficiary" means a lender under a promissory note to pay money secured by a deed of trust on property. The word "beneficiary" as used in this Chapter means and includes any assignee or successor to such beneficiary, whether such assignee or successor acquires its interest in the beneficiary's promissory note either before a note of default is recorded. In the event that a property may provide security for the loan or obligation of more than one (1) beneficiary, the beneficiary who causes its notice of default to be recorded shall be responsible for registering the property as set forth in this Chapter. (Ord. 99-1155, § 2; Ord. 99-1173U, § 3; Ord. 13-1510, § 7)

### 5902 Required.

(a) No owner of residential real property shall transfer title and/or convey ownership for such property without first providing the prospective buyer with a copy of a valid residential property report for the property.

(b) No person shall commence operation of a residential care facility on residential real property without first obtaining a residential property report for such property.

(c) No person shall renew a business license for an existing residential care facility operating on residential real property without first obtaining a residential property report for such property; provided, however, that this paragraph shall not apply to any residential care facility that has previously obtained a residential property report for such property.

(d) Foreclosed Vacant Residential Property.

A. The beneficiary or its agent shall register the property with the Chief Building Official, on forms provided by the City, within ten (10) days from the earlier of the following dates: (i) the date a notice of default is recorded on a property; or (ii) the date of a default inspection which indicates that the property is vacant or abandoned. The provisions of subsection (d) (A)(i) of this Section shall apply to each property for which a notice of default is recorded on or after July 31, 2010.

B. Property which is acquired by a beneficiary following the recordation of a notice of default, whether acquired by such beneficiary by foreclosure, deed in lieu of foreclosure or judgment of foreclosure, shall also be subject to compliance with the provisions of this Section, upon the sale, exchange, transfer or other conveyance of such property by the beneficiary to a third person.

C. Property which is vacant or abandoned at the time of acquisition by a beneficiary, whether acquired by such beneficiary by foreclosure, deed in lieu of foreclosure or judgment of foreclosure, shall also be subject to compliance with the provisions of this Section, prior to the earlier date of either: (i) re-occupancy of such property by any tenant of the beneficiary; or (ii) sale, exchange, transfer or other conveyance of such property by the beneficiary to a third person.

a. Property which is occupied by either the trustor or a tenant of the trustor at the time of acquisition by a beneficiary, whether acquired by such beneficiary by foreclosure, deed in lieu of foreclosure or judgment of foreclosure, shall also be subject to compliance with the provisions of this Section prior to the earlier date of either: (i) the re-occupancy of such property by any successor tenant to the trustor or such other successor tenant to the tenant in possession of the property at the time of the beneficiary's acquisition of the property; or (ii) sale, exchange, transfer or other conveyance of such property by the beneficiary to a third person.

(e) Re-Registration of Property Subject to This Chapter.

A. The beneficiary or its agent shall annually renew a registration of each property which the beneficiary has previously registered with the City under this Chapter, and in which such beneficiary retains either an equitable or legal interest as of the first anniversary of the registration of such property with the City. The beneficiary or its agent shall re-register the property on forms provided by the City.

B. The provisions of this subsection (e) shall apply to each property for which a notice of default was recorded on or after October 1, 2009.

(f) Special Provisions Where Property Is Encumbered with the Security Interests of Multiple Beneficiaries.

A. In the event that a property is encumbered by the security interests of more than one beneficiary at the time when a notice of default is recorded, the beneficiary who causes a notice of default for its security interest to be recorded shall be responsible for registering the property with the City as provided in this Section and CMC 5910.

B. Upon the recordation of a notice of default on a property by any beneficiary, regardless of the security lien interest priority of such beneficiary in the property in relation to the priority of the security interests of the other beneficiaries in the

same property, the City in its discretion may elect to enforce the provisions of this Chapter against one (1) or more beneficiaries who have not separately recorded a notice of default against the property.

(g) Notice by Beneficiary to City of Disposition of Registered Property.

A. Within ten (10) days following the release of a notice of default and the reinstatement of the loan of the trustor, the beneficiary or its agent shall give the City written notice of such release and reinstatement.

B. Within ten (10) days following the sale, transfer or their conveyance to a third person of a property registered with the City under this Chapter, the beneficiary or its agent shall give the City written notice of such sale, transfer or other conveyance together with current contact information for such bona fide purchaser/successor in interest to the beneficiary in such property. (Ord. 99-1155, § 2; Ord. 99-1173U, § 4; Ord. 13-1510, §§ 8 – 10, 14)

### **5903 Proof of Delivery.**

Within ten (10) City business days after transfer of title or conveyance of ownership for residential real property, the owner(s) of such property shall file with the Community Development Department written proof that a copy of a valid residential property report for such property has been provided to the buyer. This Section may be satisfied by either (i) personal delivery; (ii) facsimile and deposit in the U.S. mail so as to be postmarked within the ten (10) day filing period; or (iii) deposit in the U.S. mail so as to be postmarked within the ten (10) day filing period. Such written proof shall be signed and dated by the buyer and shall contain the substance of the following statement: "I hereby acknowledge under penalty of perjury that I have received a copy of the City of Carson's residential property report for the property located at \_\_\_\_\_ (address). I also acknowledge that the issuance of the report is not a representation by the City of Carson that this property is in compliance with all applicable laws." (Ord. 99-1155, § 2; Ord. 99-1173U, § 7)

### **5904 Application.**

Applications for a residential property report shall be filed with the Community Development Department on a form provided by the Director. Each application shall indicate whether or not the owner (i) consents to an inspection of the residential real property by City personnel, and (ii) has made appropriate arrangements with any affected tenants. No application shall be accepted unless accompanied by an application fee in an amount established by City Council resolution. (Ord. 99-1155, § 2; Ord. 99-1173U, § 5)

### **5905 Issuance.**

Upon receipt of a complete application, the Director shall prepare a residential property report based on available City records and an inspection of the residential real property. Residential property reports shall be issued within ten (10) City business days following inspection of the subject property. (Ord. 99-1155, § 2; Ord. 99-1173U, § 6)

### **5906 Scope of Inspection.**

Except as specified in this Section, inspections conducted in conjunction with the preparation of a residential property report shall be limited to the exterior areas of the subject property and to the interior areas of attached garages and/or accessory buildings such as detached garages, laundry rooms and storage sheds. If the Director has reasonable cause to believe that a main dwelling unit has been illegally subdivided, then an interior inspection of such building shall be conducted. Interior inspections also shall be conducted as necessary to determine whether portions of the building were constructed with the proper permits and whether window security bars are equipped with a proper release mechanism. If the applicant refuses to consent to an inspection, or frustrates an inspection for which consent was given, then the inspection shall be conducted pursuant to an inspection warrant as required by law. (Ord. 99-1155, § 2)

### **5907 Contents.**

To the extent such information is available, residential property reports issued by the Director shall indicate all of the following:



- (a) Street address, assessor number, zone classification and permitted occupancy.
- (b) Description of existing structures and buildings.
- (c) Applicable entitlements (e.g., variance, conditional use permit).
- (d) Applicable special restrictions.
- (e) Existing code violations.
- (f) Building permits required for existing structures and buildings.

The Director may include any additional information on a residential property report as deemed appropriate. (Ord. 99-1155, § 2)

#### **5908 Duration.**

Residential property reports shall be null and void six (6) months after the date of issuance unless previously extended by the Director. The Director may extend the validity of a residential property report, free of charge, for a period of four (4) months upon a showing of good cause. (Ord. 99-1155, § 2)

#### **5909 Remediation of Property.**

(a) All code violations identified on a residential property report shall be corrected in accordance with the following schedule, unless otherwise authorized by the Director: (i) prior to the transfer of title or conveyance of ownership for such property; (ii) prior to the commencement of a residential care facility on such property; or (iii) for existing residential care facilities renewing a business license, within forty-five (45) days from the issuance of such report.

(b) The Director may authorize an extension of the time periods prescribed by this Section upon a showing of good cause; provided, however, that in no event shall code violations identified on a residential property report be permitted to remain uncorrected more than one (1) calendar year from the issuance of such report.

(c) The buyer of a residential real property may assume responsibility for correcting code violations identified on a residential property report upon a showing to the satisfaction of City staff that such buyer: (i) is capable, financially and otherwise, of making the corrections; (ii) has consented in writing to a compliance schedule; and (iii) has entered into such security agreement or undertaking, if any, as may be required by City staff to ensure that the violations will be correct within the time permitted by the compliance schedule. (Ord. 99-1155, § 2; Ord. 99-1173U, § 8)

#### **5910 Refunds, Fees and Penalties.**

(a) By resolution, the City Council may establish such fees as necessary or appropriate for the implementation of this Chapter.

(b) The City shall refund seventy-five (75) percent of the residential property report application fee if (i) an application is withdrawn prior to the close of the City business day following its submission; and (ii) City staff have not conducted any inspection or research in connection with the application. No refunds shall be awarded after the close of the City business day following submission of a residential property report application.

(c) Any owner who submits a residential property report application after the transfer of title or conveyance of ownership for the subject property shall pay, in addition to the application fee, a late penalty fee in an amount established by City Council resolution.

(d) Any residential property report applicant who fails to appear for a scheduled inspection, or who cancels a scheduled inspection less than twenty-four (24) hours prior to commencement, shall pay an inspection cancellation fee in an amount established by City Council resolution.

(e) Fees and charges for the administration of the regulatory program established by this Chapter shall be set by resolution of the City Council including without limitation the fee for registering with the City a property for which a notice of default has been recorded, and the separate fee for registering with the City a property which either the beneficiary or the City has found to be vacant or abandoned.

(f) Fine for Failure to Timely Register a Property with the City.

A. Notwithstanding any other provision of this Chapter or Chapter 1 or 7 of Article V to the contrary, the City may impose a fine on a beneficiary for its failure to timely register a property with the City under this Chapter in the following amounts:

- (i) Two hundred and fifty dollars for the first violation in the twelve (12) months preceding the date of such violation;
- (ii) Five hundred dollars for the second violation in the twelve (12) months preceding the date of such violation;
- (iii) One thousand dollars for the third and each subsequent violation in the twelve (12) months preceding the date of such violation.

B. The special fine amount provisions of this Section shall be applicable to citations issued on or after March 1, 2013, by the City under Chapter 7 of Article V to a beneficiary for a violation of this Chapter. (Ord. 99-1155, § 2; Ord. 99-1173U, § 9; Ord. 13-1510, §§ 11, 13)

### **5911 Validity of Transactions.**

No sale or transfer of title of residential real property or lease of residential real property for a residential care facility shall be invalidated solely because of a failure to comply with this Chapter. (Ord. 99-1155, § 2; Ord. 99-1173U, § 10)

### **5912 City Immunity.**

The City shall not be liable for any injury or damage caused by the preparation and delivery of a residential property report, or as a result of an error in or omission of such a report. Nor shall the City bear any liability not otherwise imposed by law. (Ord. 99-1155, § 2)

### **5913 Exemptions.**

The provisions of this Chapter shall not apply to the following:

- (a) The first sale of a residential building or condominium located in a subdivision whose final map has been approved and recorded in accordance with the Subdivision Map Act within two (2) years of such sale.
- (b) Mobilehomes in mobilehome parks, trailers and apartment units on a month-to-month rental or annual lease agreement where land sales are not involved and the use is in compliance with this Code.
- (c) Transfers in which the City is a party to the transaction.
- (d) Transfers pursuant to court order.
- (e) *Repealed by Ord. 13-1510.*
- (f) Transfers by a fiduciary in the course of the administration of a guardianship, conservatorship or trust.
- (g) Transfers between co-owners.
- (h) Transfers between spouses resulting from a marriage dissolution decree, a legal separation decree or from a property settlement incidental to such decree.
- (i) Transfers by the State Controller in the course of administering the unclaimed property law.

(j) Transfers to a governmental entity.

(k) Transactions solely for the purpose of refinancing existing debt secured by the residential real property.

(l) Transfers into a family trust or living trust where the owner is the beneficiary or trustee of the trust. (Ord. 99-1155, § 2; Ord. 99-1173U, §§ 11, 12; Ord. 13-1510, § 12)



