

ORDINANCE NO. 19-1933

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, AMENDING ARTICLE V (SANITATION AND HEALTH), CHAPTER 9, (RESIDENTIAL PROPERTY REPORT) SECTION 5902 (REQUIRED) OF THE CARSON MUNICIPAL CODE TO REPEAL THE RESIDENTIAL PROPERTY REPORT (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, the Planning Commission held a duly noticed public hearing on May 28 and July 9, 2019, and adopted Resolution No. 19-2670 recommending that the City Council approve the amendments to the Carson Municipal Code as set forth in this ordinance; and

WHEREAS, the Council now desires and intends to repeal the RPR program as it pertains to residential properties generally, while preserving the residential care facility and vacant foreclosed property RPR program components; and

WHEREAS, the City Council held a duly noticed public hearing on August 6, 2018, to consider introducing this Ordinance and take public testimony; and

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

SECTION 1. The City Council public hearing was duly noticed on July 18, 2019; and the foregoing recitals are true and correct, and are incorporated herein by reference.

SECTION 2. The City Council finds 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. Section 5902 (Required) of Chapter 9 (Residential Property Report) of Article V (Sanitation and Health) of the Carson Municipal Code is hereby amended (deleted language is ~~struckthrough~~ and additional language is "**bold italics with underline**):

5902 Required.

“(a) No owner of residential real property shall transfer title and/or convey ownership ~~for such property~~ **of a residential care facility** 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.”

SECTION 5. 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 6. This Ordinance shall be in full force and effect thirty (30) days after its adoption.

SECTION 7. 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.

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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