



PRE-SALE HOUSING INSPECTION REPORT REQUIREMENTS, PROCESS & FEE

It is the intent of the City to protect new property owners against undisclosed illegal construction of additions, alterations or improvements on residential property by requiring that the buyer of a residential property be provided with a Pre-Sale Inspection Report prior to the sale or exchange of the property.

Prior to entering into an agreement of sale for the exchange of any residential property, the owner shall obtain from the City a Pre-Sale Inspection Report showing the authorized construction, improvements and additions of such property. Any violation(s) discovered as a result of the inspection will require corrective action by the property owner/seller regardless of change of ownership, or change of circumstance by the owner, owner's agent, or other persons involved.

APPLICATION SUBMITTAL FOR PRE-SALE REPORT

Any property owner/seller may apply for a pre-sale housing inspection report six (6) months prior to entering into any agreement of sale for the exchange of any residential building and prior to listing such property for sale. Property owner will be required to present proof of ownership with a valid form of identification, such California Identification (ID) with current address.

The **property owner or *agent** (additional requirements apply) may submit the Pre-Sale Property Inspection Report Application.

*If the **agent** submits the Pre-Sale Application on behalf of the property owner/seller one (1) of the following items must be submitted with the application:

- 1) **Notary acknowledgement certificate:** The seller/property owner's signature on the Pre-Sale Application must be notarized by providing a notary acknowledgement certificate;

OR

- 2) **Notarized letter of authorization and copy of listing agreement:** A notarized letter of authorization from the property owner/asset manager authorizing the listing agent to apply for the Pre-Sale application, and a copy of the listing agreement must be provided.

PROPERTY OWNED BY BANK OR REO

If the property is **banked owned/REO**, a copy of the bank's listing agreement/assignment letter must be submitted with the application and signed by the agent named on the bank's listing agreement. If application is mailed or submitted in person by a representative, the signature of the authorized listing agent must be notarized by submitting a notary acknowledgement certificate with the application.

PROPERTY OWNED BY CORPORATION

If the property is owned by a **corporation**, a copy of the articles of corporation must be submitted with the application. If the application is mailed or submitted in person by an authorized representative/agent, the signature of the authorized representative must be notarized by submitting a notary acknowledgement certificate with the application, and agent must provide a notarized letter of authorization from the corporation granting agent permission to submit application on their behalf.

EXPIRATION OF REPORT

The pre-sale report is valid for a period of one (1) year from the date of issuance to the applicant(s). After twelve (12) months, the applicant must re-submit a new pre-sale inspection application and re-pay fees. Third-party transactions require a new pre-sale inspection and report, plus fees.

PRE-SALE REPORT FEES

The regular fee for a pre-sale property inspection is sixty-three dollars \$63.00* (subject to change per fiscal year). The regular application turnaround is approximately 8 to 10 working days from the date of inspection.

To obtain the report within 2-working days after the inspection is completed, an ***expedited fee*** of \$377.00* must be paid, and includes next working-day inspection (subject to change per fiscal year).

If applicant wishes to request additional copies of Pre-sale Inspection Report, a \$20.00* fee per copy will apply (subject to change per fiscal year). The report is only released to applicants listed on the application, unless authorized by the property owner in writing with signature notarized. Prospective buyers are advised to request a copy from the property owner or agent.

***Payment Methods:** Cash or Check payable to the City of South Gate only (ATM available at City Hall)

DATE OF INSPECTION ASSIGNED

At the time of application submittal, the applicant will be given the first available appointment for inspection, typically within 1-2 weeks. Please note, the Building and Safety Division, only conducts pre-sale inspections Monday-Thursday between 9am – 1pm, as City Hall is closed Fridays. The property owner/agent must provide the City Inspector access to property or provide a lock box combo prior to inspection.

REPORT TURNAROUND

The turnaround for a regular application is approximately 8 to 10 working days from the date of inspection. If expedited fees were paid, the turnaround is two (2) working days from the date of inspection.

INSPECTION PROCESS

Upon submittal of Pre-Sale application and payment, the Building and Safety Division will review city permit records and conduct an exterior inspection of the property and interior of garage (other nonresidential structures may be entered during inspection), to determine that major structural additions, modifications and alterations were made with the appropriate permits.

The Building and Safety Division thereafter will deliver to the applicant(s) a report of the residential building records which will contain a list of the items that were performed *without* the appropriate permits and indicate the steps required to repair/address the violation(s) and time granted to clear the violation(s). If no corrections or violations are found, the report will indicate such.

DELIVERY OF REPORT

The Pre-Sale Inspection Report will be provided to all applicants listed on the Pre-Sale Application (up to four (4) applicants allowed: seller, buyer, agent and/or escrow). The report will be delivered via mail, or applicant may choose to pick-up report at City Hall, Building and Safety Division, Monday-Thursday, 7am – 4:30pm.

Additional copies of the Pre-sale Report will be made available only to applicants listed on the application for an additional fee of \$20.00* per copy (subject to change per fiscal year). Please note the report will only be released to applicants listed on the application, unless authorized by property owner in writing with signature notarized. Prospective buyers are advised to request a copy from the property owner/seller or agent.

REPORT INDICATES CORRECTIONS

If violation(s) are discovered as a result of the inspection, the report will indicate the steps required to repair/address the violation(s). The property owner/seller must correct such violations prior to the close of escrow. All permits required per the report must be obtained by a State Licensed Contractor at City Hall, Building and Safety Division. Given that the property is for sale, and ownership will be transferred, the current property owner/seller may not obtain the permits or perform the repairs.

Once all pre-sale report corrections are completed and permits obtained and approved, a re-inspection must be requested to verify compliance. If inspection passes, the inspector will provide a "Clearance Letter" within 2 working days, and mail the letter to the seller/property owner to proceed with the close of escrow. If escrow is no longer active, the Clearance Letter is good for six (6) months from the recorded date.

TRANSFER RESPONSIBILITY TO NEW BUYER

The property owner/seller may transfer the responsibility of correcting the violations to the new buyer, only if the new buyer accepts and signs a "waiver" provided by the City. The waiver will require the new buyer to pay for all permits within sixty (60) days from the close of escrow, and complete all corrections within ninety (90) days from the close of escrow. The new property owner or licensed contractor may obtain the permits and perform the repairs required per the report. However, the new property owner will be required to present a copy of the grant deed or escrow closing statement.

WAIVER REQUEST

The City Ordinance 9.62 Pre-Sale Housing Inspection allows the Director/Building Official of the City of South Gate to grant a "waiver" or additional time to correct all the violations on the Pre-Sale Inspection Report. The waiver will be for a specified length of time, consistent with the work to be done. Each waiver (delay of enforcement) must be requested and reviewed by the City's Director/Building Official. If approved, an agreement promising to correct code violations will be made for recording with the Los Angeles County Assessor's Office, and must be signed by both the City's Director/Building Official and the proposed buyers, notarized and recorded.

REQUEST FOR WAIVER

Per the City Ordinance 9.62 Pre-Sale Housing Inspection, the City may only give the new buyer a "waiver" or additional time to correct all the violations on the Pre-Sale Inspection Report. The current seller of the property is not eligible for a waiver. Only the buyer may request up to 60 days from the close of escrow to pull permits, and 90 days from the close of escrow to correct all the violations found in the pre-sale report. However, the buyer must meet with the Building Official to discuss the violations and plan of repairs. If waiver is granted, a \$33.00 fee will apply (subject to change per fiscal year).

Please note that not all violations will be given a waiver (delay of enforcement) to extend the period of time to make all repairs of violations. It is ultimately the City's decision to grant a delay of enforcement. For example, prior liens, garage restoration fees shall be paid in full prior to the closing of escrow.

WAIVER RECORDATION

After the waiver is approved and signed by the City and the new property buyer(s), the document may be taken to escrow and be recorded with the Los Angeles County Assessor's Office within 24 hours, but no more than five (5) days of the recordation of the new Grant Deed.

RECORDATION OF WAIVER

It is the sole responsibility of the property buyer to ensure that the waiver document gets recorded immediately after escrow closes and that all requirements contained therein are met.

Once all fees have been paid and violations have been completed, the City will mail a "Clearance Letter" to applicant and a "Release of Encumbrance" to the property owner to remove the lien.

QUESTIONS

Please contact the Building and Safety Division, Monday – Thursday, Closed Fridays, 7am-5:30pm at (323) 563-9583.