

The California State Auditor released the following report today:

Residential Building Records

The Cities of San Rafael, Novato, and Pasadena Need to Strengthen the Implementation of Their Resale Record Programs

BACKGROUND

At least 9 percent of the cities in California, which are home to 17 percent of the State's population, have a resale record ordinance—a local rule specifying that before the sale of any residential building, the owner or authorized agent obtains from the city, a report showing a variety of information concerning the property. Although cities may have similar programs, their ordinances may apply to different properties.

KEY FINDINGS

During our review of the resale record programs in San Rafael, Novato, and Pasadena, we noted the following:

- All three cities are not fully complying with their respective resale record ordinances.
 - ✓ None have procedures in place or are monitoring to identify properties that are sold or exchanged.
 - ✓ For 10 of the 17 properties we reviewed, Pasadena's records for inspection certificates—related to health and safety—were initially missing. The city subsequently was able to find the certificates, but four were incomplete.
 - ✓ San Rafael and Novato could not demonstrate in certain instances that buyers are aware of health and safety violations that exist at their new properties.
- None of the three cities have formal processes to address complaints consistently nor do they track complaints they receive or their resolution.
- Although the three cities have policies and procedures for following up on inspections that identify violations requiring action from property owners, none of the cities consistently follow them and each city has a backlog of properties with unresolved violations that require permits or reinspection.
- San Rafael and Pasadena did not always meet their established time goals for their resale record programs, and Novato did not fully establish time goals.
- The fees charged by each of the cities for their resale record programs were developed many years ago and do not cover the cost of the program. As a result, the cities are likely undercharging for inspections.

KEY RECOMMENDATIONS

We made several recommendations to the three cities, including the following:

- Ensure they are aware of whether property owners comply with ordinances by implementing procedures to monitor the sale or exchange of properties that require resale record inspections and verify that new property owners are aware of health and safety concerns regarding their property.
- Monitor stakeholders' satisfaction with their respective resale record programs and implement a formal complaint resolution process.
- Ensure property owners correct violations in a timely manner and that the three cities establish a process to monitor how well they are meeting their established time goals from application date to report issuance.
- Conduct formal fee studies if needed and ensure the resale record fees the cities charge are appropriate.
- Enable staff to remain current on building standards code requirements by ensuring they receive periodic continuing education.