



# City of Davis

## Resale of Property Ordinance

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# Population and Housing Statistics

- Population - 68,986 (Students UCD - 34,535)
- There are 24,426 households (2015).
- Roughly 16,193 SFD, duplex and triplex.
- Approximately 57% of the housing units in Davis are rental properties and 55% of Davis residents live in rental housing.
- More than 43% of the housing units in Davis are in multi-unit structures (apartment complexes).
- Home ownership in Davis is 43.8% compared to the national average of 66.9%.

# History of the Davis Resale Program

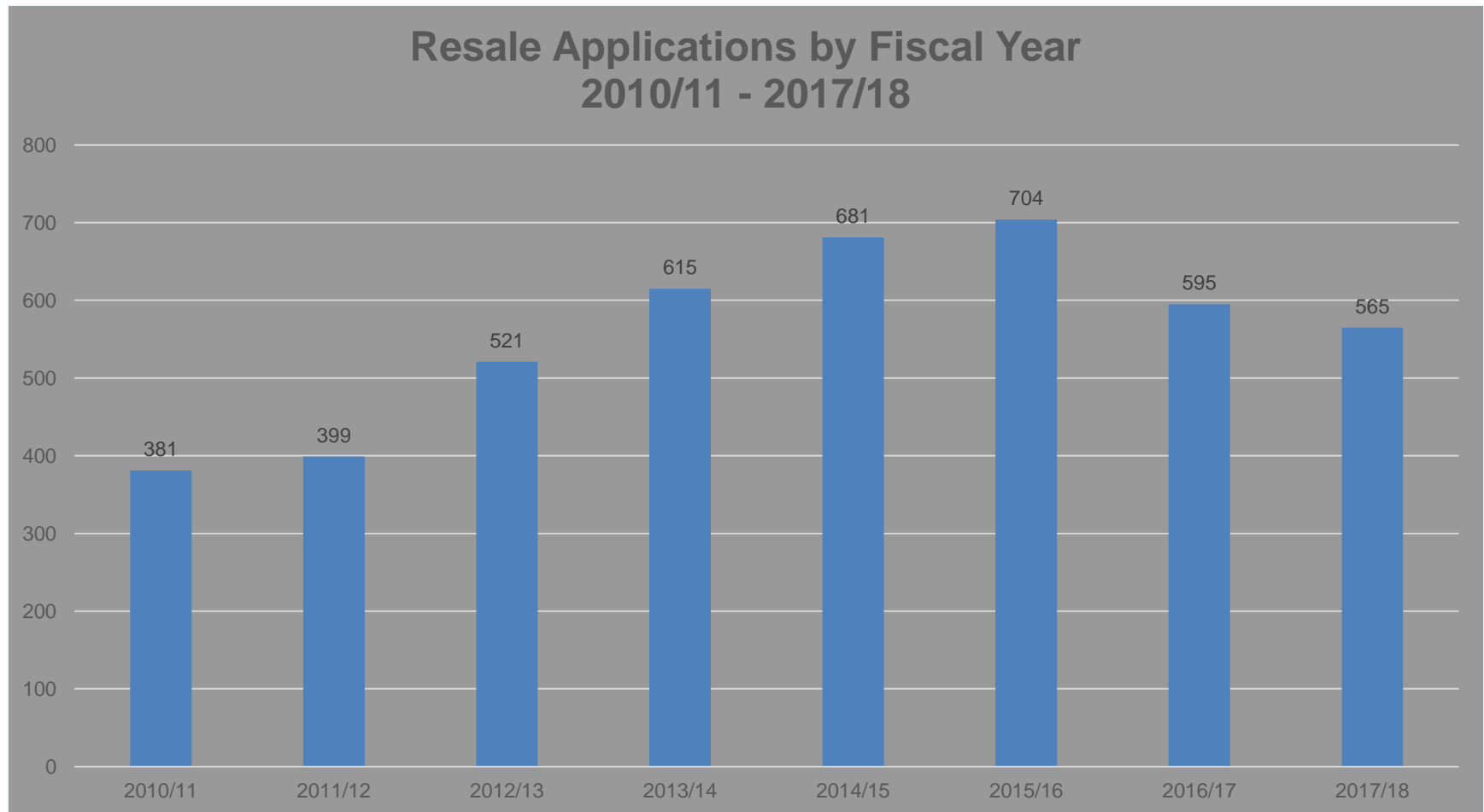
- 1972- Two residents perish in a fire while living in an unpermitted garage conversion.
- 1976 – The resale program is implemented.
- 1980 – Retrofit for energy, smoke alarms and insulation added to scope (no longer enforced).
- 1994 – Format revised to include informational sections.
- 2013 – Ordinance revised with input from real estate community.

# Benefits of Program

- Helps to maintain quality of housing stock.
- Reduction in structure fires per capita.
- Discourages illegal construction and provides a tool to identify and correct at time of sale.
- Ensure compliance with minimum building codes, energy efficiency and fire, and life-safety regulations.
- Discourages permit avoidance.
- Approximately \$70,000 penalty fees per year helps to offset the cost of program.

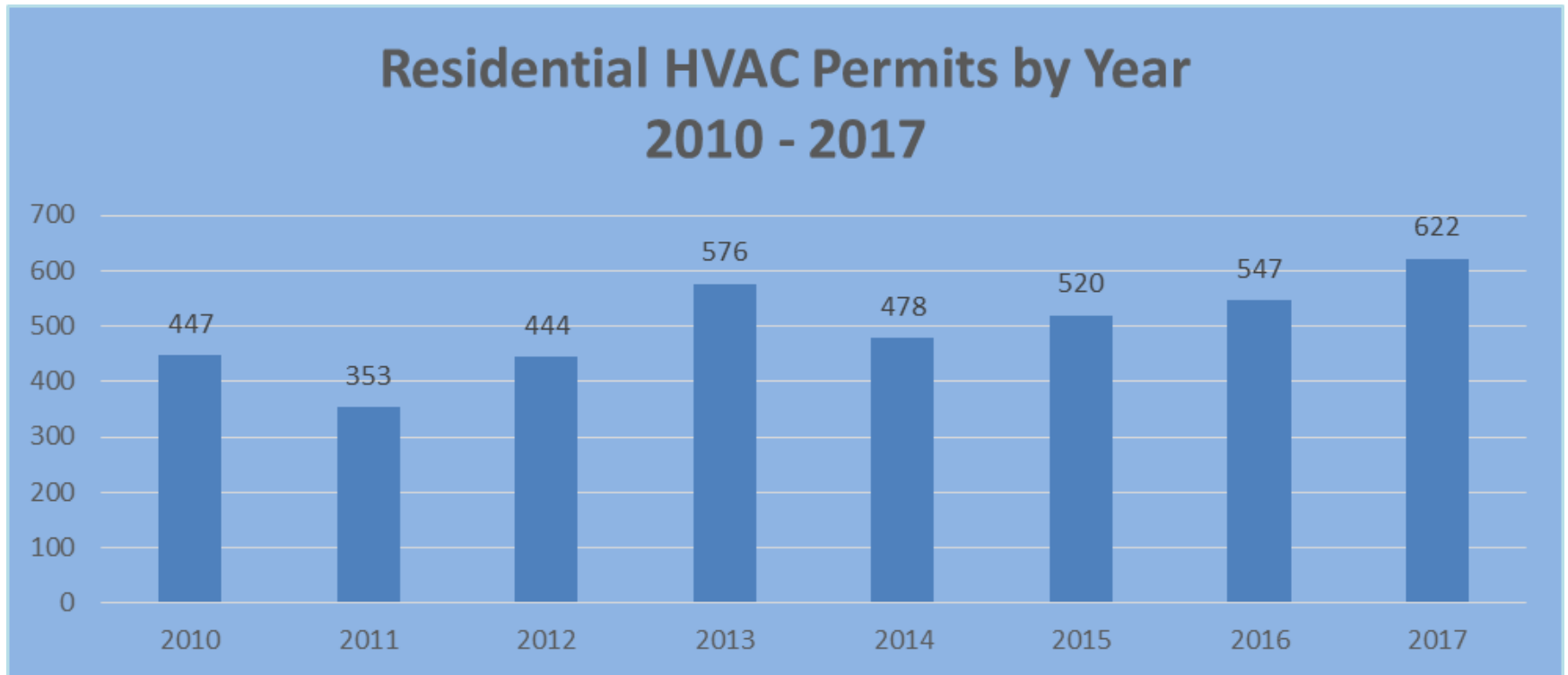
# Number of Resale Inspections by Year

(Average 558 per year)



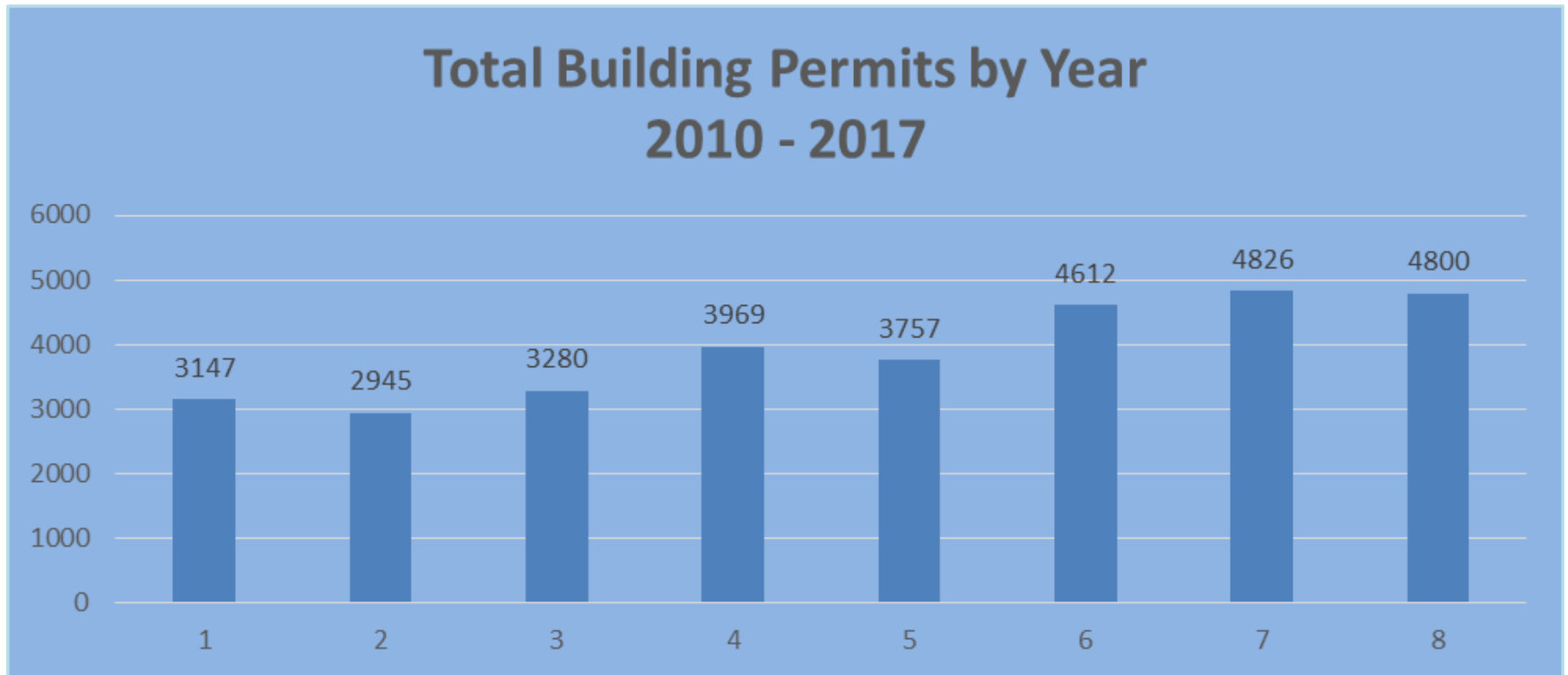
# HVAC Permits issued by year

(Average 500 per year)



# Total Permit issued by year

(Average 3917 per year)



# Resale Application

All residential properties in the City of Davis are subject to the Resale Program

- Properties with 1, 2, or 3 residential units are subject to the Resale Inspection process.
- Multifamily properties with 4 or more residential units are subject to the Resale Self-Certification process.

Exception: Interfamily transfers

*Note: City staff reviews monthly reports from county on property transfers.*



# Resale Application

- A resale application is submitted to the city at least 15 days prior to change in ownership.
- An inspection date and time is scheduled upon receipt of the application.
- A written report is issued within 5 working days of completed inspection.
- Cost of inspection is \$426.00.
- Cost of self-certification for multifamily is \$85.00.

# Resale Report

The report is divided into three sections:

- Section A – Any item(s) noted in Section A must be remedied (either permitted or removed) and re-inspected by the City.
- Section B – Any item noted in Section B must be remedied, but the work will not be re-inspected by the City (smoke alarms, extension cords, combustion air blocked, overhead storage garage, etc.).
- Section C – No action is required. Notations are informational to the buyer (Fences in front setback, security ordinance requirements, dry rot etc.)

# Resale Report

- The Resale Report remains valid for 18 months.
- The seller or buyer (depending on who takes responsibility) must have the report validated within 90 days.
- The report is validated when all items are corrected.
- Prior to close of sale, the seller must provide the buyer with a copy of the Report.

# Challenges

- Requires extra diligence by counter and field staff.
- Detailed plans and scope of work are required to assist in future resale inspections.
- Identifying deficiencies that may have been missed by the inspector on a previous permit.
- Staffing to address fluctuations in the market.
- Last minute applications with close of escrow pending.
- Owners claiming that work was done by previous owner.
- Significant work/expenditure completed incorrectly.
- Out of town agents selling without inspection.
- Fees not adequate for full cost recovery.

# Resale and HVAC Change-outs

- California Energy Commission studies show 8% -10% permit compliance rates for HVAC change-outs.
- A look back over the last 5 years of resale inspections show that 5% of the properties inspected did **NOT** obtain permit for HVAC change-out.

# Questions?

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