

NOTICE OF SUBSTANDARD OR UNSAFE STRUCTURE RECORDED LEIN

By Francyne Shapiro Lambert, Vice President Lambert Investments, Inc.

By now most building owners are aware that The City of Los Angeles Department of Building and Safety has recorded liens on title for buildings subject to Mandatory Seismic Retrofit Ordinance. The recorded liens are dated and reference a recorded document number. Below is a sample of a recorded lien document:

**Notice of substandard and/or unsafe structure as follows:
By: Department of Building and Safety, City of Los Angeles**

Recorded Date and Document Number

CERTIFICATE OF SUBSTANDARD PROPERTY
(Mandatory Seismic Retrofit Ordinance)

Pursuant to Los Angeles Municipal Code (LAMG) § 91.9305 2, the Superintendent of Building of the City of Los Angeles hereby gives notice that the building located on the properly described herein is within the scope of Division 93, Article I, Chapter IX of the LAMC [Mandatory Earthquake Hazard Reduction in Existing Wood-Frame Buildings with Soft, Weak or Open-Front Walls]. The current owner of record has been ordered to structurally analyze the building and to comply with the minimum design standards of Division 93 by, either structurally altering or, at owner's option, demolishing the building.

The affected property is legally described as follows: Lot , Block-, Tract-TR as recorded in Book , Page , Parcel , of the Records of the Office of the County Recorder of the County of Los Angeles, which property is located at and known as.

This Certificate of Substandard Property shall continue in force until the Superintendent of Building records a Certificate of Compliance. For further information concerning this Certificate, contact the Department of Building and Safety, Soft-Story Retrofit Unit, City of Los Angeles.

Signed By:

The lien will remain on title until the seismic work is completed in accordance with the Retrofit Ordinance and the City has approved the work and signed off.

What if you choose to sell your property prior to having the seismic work done?

Disclose, Disclose, Disclose. Make sure the prospective buyer knows that the building has been cited by disclosing this in your Purchase Contract and provide a copy of the recorded document.

Provide the buyer with any Engineering Plans and Calculations if you have them

Provide the buyer with any Cost Estimates including Permits if you have them

Santa Monica building owners may reference the following link to view the buildings listed that may be required to comply with the Ordinance:

www.smgov.net/Departments/PCD/Programs/Seismic-Retrofit/

Local lenders are aware of this ordinance and requirement for compliance. Loans may be approved with the lender holding back a percentage of funds until the seismic work is completed to satisfaction to have the lien removed from title. This will increase the amount of the down payment necessary. It is important that Buyers budget for the hold back. Additionally, Lenders may require that the work be completed within a timeframe. Make sure you can complete the work within their timeframe.

There are still many cash buyers willing to buy AS IS knowing that the costs for retrofit compliance will be at their expense. We highly recommend knowing what this cost will be prior to going under contract to sell.

As always, we guide apartment Owners and Buyers not to panic. Do your homework, trust reliable sources for engineering plans and calculations along with experienced contractors to complete the work. There are firms that will handle the entire process. We also recommend not to wait till the end of the seven year time period to decide what to do. Again, we cannot stress enough to make sure that once the work is completed with a final sign off that you verify that the City has removed the lien from Title.

As owners, operators and brokers for over three decades we consistently look at the regulations, ordinances, legislation and cycles while paying close attention to where these are in relation to your personal cycle before making decisions that are best for you. **AA**