June 15, 1990

PROPOSED NO.: 90-562

ORDINANCE NO. 9587

AN ORDINANCE related to the conversion of real property to condominium ownership, requiring relocation assistance and code inspection and repair requirements; repealing Ordinance 4189, Sections 1 through 21, and K.C.C. 20.58.010 through 20.58.200; and prescribing penalties.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. Ordinance 4189, Sections 1 through 21, and K.C.C. 20.58.010 through 20.58.200 are each repealed.

SECTION 2. Definitions. For the purpose of this ordinance, the following terms shall have the meanings set forth below:

- A. "Condominium" means real property, including but not limited to residential buildings and mobile home parks, portions of which are designated for separate ownership and the remainder of which is designated for common ownership solely by the owners of those portions. Real property is not a condominium unless the undivided interests in the common elements are vested in the unit owners, and unless a declaration and a survey map and plans have been recorded pursuant to the Horizontal Property Regimes Act (RCW 64.32) or the Condominium Act (RCW 64.34).
- B. "Condominium conversion notice" means the notice of conversion required by RCW 64.34.440 to be given to residential tenants and subtenants in real property converted to condominium ownership.
- C. "Conversion condominium" means a condominium that at any time before creation of the condominium was lawfully occupied wholly or partially by a tenant or subtenant for residential purposes pursuant to a rental agreement, oral or written, express or implied; or a condominium that at any time before the conveyance of, or acceptance of an agreement to convey, any unit therein other than to a declarant or any affiliate of a declarant, was lawfully occupied by a residential tenant of a declarant or an affiliate of a declarant and such tenant was not notified in writing, prior to lawfully occupying a unit or executing a rental agreement, whichever event first occurs, that the unit was part of a condominium and subject to sale.

  "Conversion condominium" shall not include a condominium in which before the

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effective date of this ordinance, any unit therein had been conveyed or been made subject to an agreement to convey to any transferee other than a declarant or an affiliate of a declarant.

- D. "Declarant" means any person or group of persons acting in concert who executes as declarant the document, however denominated, that creates a condominium by setting forth the information required by RCW 64.34, or who reserves or succeeds to any special declarant rights under such a document.
- "Director" means the director of the King County Parks, Planning and Resources Department and his or her designees.
- F. "Division" means the King County Building and Land Development Division.
- G. "Residential inspection" means inspection of real property to be converted to condominium ownership for compliance with the Uniform Housing Code as adopted by King County and other land use or public health codes and ordinances as determined by the director.
- "Owners association" means the association of condominium unit owners, organized in accordance with RCW 64.34, for the purpose of managing a condominium.
- "Person" means a natural person, corporation, partnership, limited partnership, trust, governmental subdivision or agency, or other legal entity.
- "Public offering statement" means a document offering condominium J. units for sale, and providing descriptions and disclosures relating to the condominium pursuant to RCW 64.34.
- "Tenant" means any person who is entitled to occupy a rental unit primarily for living or dwelling purposes under a rental or lease agreement, written or oral, express or implied. The term "tenant" also includes a subtenant who is in occupancy with the consent of the owner.
- "Unit" means a physical portion of the condominium designated for separate ownership, the boundaries of which are described pursuant to RCW 64.34.216(1)(d).

<u>SECTION 3.</u> Application. This ordinance applies to all conversion condominiums created in unincorporated areas of King County after the effective date of this ordinance.

SECTION 4. Relocation Assistance.

- A. Relocation assistance of five hundred dollars per unit shall be paid by the declarant to tenants and subtenants who elect not to purchase a unit and who are in lawful occupancy for residential purposes of a unit and whose monthly household income from all sources, on the date of the condominium conversion notice, was less than an amount equal to eighty percent of the monthly median income for comparably sized households in the Seattle-Everett Metropolitan Statistical Area, as defined by the United States Department of Housing and Urban Development. The household size of a unit shall be based on the number of persons actually in lawful occupancy of the unit on the date of the condominium conversion notice.
- B. The tenant or subtenant actually in lawful occupancy of the unit shall be entitled to the relocation assistance.
- C. Relocation assistance shall be paid on or before the date the tenant or subtenant vacates and shall be in addition to any damage deposit or other compensation or refund to which the tenant is otherwise entitled. Unpaid rent or other amounts owed by the tenant or subtenant to the landlord may be offset against the relocation assistance.
- D. This section shall not apply to mobile home park tenants who otherwise receive relocation assistance pursuant to the Mobile Home Park Relocation Act (RCW 59.21).

SECTION 5. Mandatory Residential Inspection.

A. The declarant shall, at his or her expense, obtain a residential inspection by the Building and Land Development division of the premises subject to conversion. Inspection shall be made within forty-five days of a declarant's written request. A written residential inspection report shall be issued by the division within fourteen days following completion of the residential inspection.

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- B. Any public offering statement issued with respect to a conversion condominium shall include a copy of the written residential inspection report from the division.
- C. Prior to the conveyance of any residential unit within a conversion condominium, the declarant shall repair all violations disclosed in the residential inspection report and shall obtain certification from the division that such have been properly made. Certification of repairs by the division shall be based upon a reinspection of the conversion condominium premises, to be performed within seven days of the declarant's written request. Certification shall be issued within seven days following reinspection if property is then determined to be in compliance.
- D. Certification by the division shall state that only those defects discovered by the residential inspection have been corrected and that the certification does not guarantee that all relevant code violations have been corrected. No declarant shall use the division's certification in any advertising, nor shall a declarant indicate or imply to anyone, for the purpose of inducing a person to purchase a condominium unit, that King County or any of its departments has "approved" the premises or any unit for sale.

SECTION 6. Warranty of Repairs and Escrow Fund.

- A. The repairs required to be made in Section 5 of this ordinance shall be warranted by the declarant against defects due to workmanship or materials for a period of one year following the completion of such repairs.
- B. Prior to conveyance of any residential unit within a conversion condominium, the declarant shall establish and maintain an account with a bank or other financial institution of the declarant's choosing, containing a sum equal to ten percent of the actual cost of making repairs required in Section 5 of this ordinance. During the one year warranty period, funds contained in the account shall be used exclusively for paying the actual cost of making repairs required, or for otherwise satisfying claims made under the warranty. The declarant shall, in writing, notify the owners'

association and the division of the location of the account and of any disbursements therefrom. Following expiration of the warranty period, any funds remaining in the account shall be disbursed to the declarant.

C. Depletion of the funds contained in the account shall not relieve the declarant of his or her obligations under this section.

SECTION 7. Enforcement. The director is authorized to enforce the provisions of this ordinance, and any rules and regulations promulgated thereunder, pursuant to the enforcement and penalty provisions of the King County Enforcement Ordinance, KCC Title 23. No provision contained in the ordinance is intended to limit any private right of action against the declarant which may be available to persons or classes of persons adversely affected by the declarant's to comply with any provision of the ordinance, the Condominium Act (RCW 64.34), the condominium declaration or by-laws, or other applicable law.

SECTION 8. Authorization to Implement Procedures. The director is authorized to promulgate and adopt administrative rules and regulations under the procedures specified in KCC 2.98, for the purpose of implementing and enforcing the provisions of this ordinance. Such rules and regulations may include, but shall not be limited to, a procedure for checklists which can be signed by the developer, purchaser or tenant, as appropriate, to indicate that the various requirements of this ordinance have been met.