

LEGISLATIVE DIGEST

[Administrative Code - Residential Hotel Status Report Requirement]

Ordinance amending the Administrative Code to require the completion of a report of residential hotel status, and disclosure of the report to the buyer or transferee, prior to the sale or transfer of a residential hotel; and affirming the Planning Department's determination under the California Environmental Quality Act.

Existing Law

There is no requirement that residential hotel owners provide any information about the hotel's compliance with Administrative Code Chapter 41, the Hotel Conversion Ordinance, to purchasers or transferees prior to exchanging title. Housing Code Chapter 3.5 requires a Report of Residential Building Record ("Three R Report") prior to selling certain residential buildings in the City, but the requirement does not apply to Residential Hotels with 30 or more guest rooms and the report does not include information regarding the hotel's compliance with Chapter 41.

Amendments to Current Law

The Proposed Legislation would mandate that residential hotel owners provide a Report of Residential Hotel Status to the prospective buyer or transferee prior to selling or transferring property. The Department of Building Inspection ("DBI") shall create a Report of Residential Hotel Status Form that includes questions for the owners to complete regarding the rental amounts, vacancy status, and location of the residential units in the hotel as well as other information relevant to the hotel's compliance with Chapter 41 and other Housing and Building Code requirements. Owners of Residential Hotel owners will be required to complete the Report of Residential Hotel Status Form and submit it to DBI prior to selling or transferring the hotel. DBI shall have 10 business days to evaluate the information provided by the owner on the form, identify and annotate any information on the form that is inconsistent with DBI records, and issue the completed Report of Residential Hotel Status to the owner within 10 business days. The purchaser or transferee of a residential hotel must submit a receipt of receiving the Report of Residential Hotel Status to DBI within 30 days of acquiring title to the hotel. The Report of Residential Hotel Status will be valid for one year after issuance.

Background Information

Prospective purchasers or transferees of residential hotels are required to maintain compliance with Chapter 41, yet the information necessary to maintain compliance—such as residential unit locations, rents, vacancy status, and abatement of past violations—may not be available to purchasers prior to purchase. The Proposed Legislation, similar to the Three R

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Report of the Housing Code, would provide prospective purchasers with the necessary prior to taking possession of the hotel. The information will allow prospective purchasers to maintain compliance across the transfer period and plan for abating any known issues at the hotel prior to purchase

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