

CHAPTER 6.64

CONVERSION OF RENTAL UNITS TO CONDOMINIUMS

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PART I

GENERAL PROVISIONS

6.64.010 Purpose. The purpose of this chapter is to alleviate hardships on citizens of Snohomish County by providing for fair disclosure of conversions of residential rental units to condominium apartments, protection of tenants in unit being converted, mitigation of hardships caused by conversion displacement, and Housing Code inspection and compliance prior to sale of a converted apartment.

6.64.020 Definitions. For the purpose of this resolution, the following terms shall have the meanings set forth below:

- (1) Building. A building as defined in RCW 64.32.010(5).
- (2) Building Department!. The Building Department of Snohomish County.
- (3) Condominium. Real property
 - (a) which is subject to a declaration filed pursuant to RCW Chapter 64.32, the Horizontal Property Regimes Act, or
 - (b) in which there is private ownership of individual units and common ownership of common areas.

(4) Conversion. The filing of a declaration pursuant to RCW Chapter 64.32 or the sale by a developer of condominium apartments that were previously rental units.

(5) Developer. Any person, firm partnership, joint venture, corporation or any other entity or combination of entities or successors who, as an owner, undertakes the conversion, sale, or offering for sale of condominium apartments. "Developer" shall also include the developer's agent or any other person acting on behalf of the developer.

(6) Director. The Director of the Snohomish County Building Department and his or her designee.

(7) Eviction. Any effort by a developer to deprive a tenant of possession of a rental unit or to terminate a tenancy by lawful or unlawful means.

(8) Housing Code. The Snohomish County Code as codified in Chapter 17.44, Snohomish County Code.

(9) Offer to sell to tenant. A written offer to sell a condominium apartment to the tenant at a specified price and on specified terms.

(10) Offer to sell to the public. Any advertisement, inducement, solicitation, or attempt by a developer to encourage any person other than a tenant to purchase a rental unit as a condominium apartment.

(11) Person. Any natural person, corporation, partnership, association, trust, other entity, or any combination thereof.

(12) Prospective purchaser. Any person, including existing tenants or subtenants, who expresses an interest to a developer in purchasing a condominium apartment or to whom a developer solicits or offers to sell a condominium apartment.

(13) Rental unit. Any housing unit, other than a single family dwelling or units in a single family dwelling, which is occupied pursuant to a lawful rental agreement, oral or written, express or implied, which was not owned as a condominium unit on the effective date of this Ordinance.

(14) Tenant. Any person who

(a) occupies a rental unit or holds a valid lease, express or implied, at the time of the developer's giving written notice as required by section 6.64.040, or the giving of notice of termination as required by RCW 59.18.200, because of conversion to a condominium, whichever is first, or

(b) enters into the occupancy of a rental unit after the giving of either of such notice to any other tenant, without the owner advising such person that the unit might be sold or offered for sale as a condominium unit.

Where more than one person is a tenant, as defined above, in a single rental unit, any or all of them may exercise the rights given hereunder; PROVIDED, That one or more tenants cannot waive the rights of their covenants as provided in this chapter, that any or all tenants in a single rental unit shall not be entitled to accept an offer to purchase more than one rental unit, and that any rights of a tenant under a written lease with the owner shall be superior to the rights of his/her subtenant.

PART II

APPLICATION

6.64.030.

(1) In General. This chapter shall apply only to the conversion, offers of sale, and sale of rental units which have not been converted to condominium apartments by the filing of a declaration of condominium as provided in RCW Chapter 64.32 before the effective date of this Chapter.

(2) To Tenants. The provisions of Part III providing protection to tenants shall apply only to tenants as defined in section 6.64.020(14).

PART III

TENANT PROTECTIONS

6.64.040 Notice and offer to sell to tenant. At the time of giving notice of termination as required by RCW 59.18.200 because of conversion to a condominium or before selling or offering to sell to the public any rental unit as all or part of a condominium apartment, whichever comes first, the developer shall serve each tenant a written notice offering to sell unit or units, as condominium apartment, to the tenant. Such notice shall contain the legal descriptions, prices, and all other terms and conditions as which such units are offered for sale, such other terms and conditions as are required by this chapter, a letter form for advising the developer that the tenant wishes the offer to continue for more than forty-five (45) days as provided herein, and a statement in format approved by the director, of the tenant's rights under this chapter.

The offer to purchase the unit occupied by a tenant or in which the tenant otherwise has a leasehold interest shall be exclusive to such tenant for forty-five (45) days from the date of receipt of the notice.

A tenant's right to accept any offer contained in the notice shall cease forty-five (45) days after receipt of the notice by the tenant unless the tenant advises the developer in writing within forty-five (45) days of receipt of such notice that he or she wishes the offer to continue for an additional forty-five (45) days.

The rights of a tenant to accept an offer to purchase a unit other than those sold or contracted to be sold pursuant to the exclusive offer stated above shall continue for an additional forty-five (45) days.

Subject to any prior rights under the 45-day exclusive offer stated above, and the prior rights to possession of any other tenant, the rights of a tenant whose written acceptance of the offer to sell on any unit is first received by the developer shall be prior to the rights of other tenants.

6.64.050 Tenant's right to rescind. A tenant may rescind an earnest money agreement or any other acceptance of an offer of sale or exercise of first right of refusal by delivery to the developer, by registered or certified mail return receipt requested, written notice of revocation within ten days of acceptance of the offer. Upon receipt of a timely revocation the developer shall immediately refund any deposit, earnest money, or other funds, and the parties shall have no further rights or liabilities under the purchase agreement. Developers shall include in their sales contracts a clause informing purchasers of their rights under this section. The clause shall be located either immediately above the purchaser's signature or under a separate conspicuous caption entitled "Purchaser's Right to Cancel". In addition, each binding sale agreement shall provide that the prevailing party in any action to enforce rights under the agreement shall be entitled to reasonable attorney's fees.

6.64.060 Limitations on evictions. A developer shall not evict any tenant or force any tenant to vacate his or her rental unit because of the expiration of the tenancy of such tenant or to avoid any requirements of this chapter for 90 days following receipt of the notice required by section 6.84.040 or of notice of termination as provided in RCW 59.18.200. This provision shall not prevent a tenant from evicting or forcing his or her subtenant to vacate upon the expiration of the subtenant's tenancy, in any manner provided by law.

6.64.070 Tenant's right to vacate. A tenant receiving notices as required by section 6.64.040 may terminate his or her tenancies as otherwise provided by law.

6.64.080 No rent raises during notice periods. During the period of 90 days following receipt of the notice required by section 6.64.040 or notice of termination as provided by RCW 59.18.200, whichever is later, the rent of a tenant may not be raised.

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6.64.090 Termination of tenant's rights. A tenant's rights as provided in section 6.64.040 shall cease upon:

(a) his or her voluntarily relinquishing possession or otherwise surrendering or assigning his or her leasehold interests, or waiver of his or her rights under such section, in writing; PROVIDED, That prior to such relinquishment, surrender, or waiver, the developer has given the tenant all notices theretofore required by this chapter, and such relinquishment is not induced by the developer by fraud, threats, coercion, or otherwise with the intent of avoiding provisions of this chapter;

(b) a tenant's accepting any offer to sell or otherwise purchasing or contracting to purchase any unit as a condominium unit;

(c) a tenant is ejected for good cause; or

(d) upon sale of all units in the condominiums in conformance with this chapter.

6.64.100 Service of notices. All notices, offers, disclosures, documents, acceptances and other writings required by this chapter shall be personally served upon the intended recipient or served by registered or certified mail, return receipt requested. Service by mail upon any tenant in possession shall be to the address of the tenant's rental unit. Service by mail to any tenant not in possession shall be to the last known address of such tenant, or lacking such address, to the address of such tenant's rental unit. The developer shall indicate his or her mailing address in the notices required by sections 6.64.040 and 6.64.050.

PART IV

CONSUMER PROTECTION

6.64.110 Mandatory Housing Code inspection and repairs. Prior to giving notice to a tenant as required by section 6.64.040 or otherwise offering any converted rental unit for sale,

(a) the developer shall request in writing a Housing Code inspection of the building by the Building Department;

(b) the Building Department shall conduct a compliance inspection, fees for which shall be paid by the developer, and within seven (7) days of the developer's request advise the developer in writing of the Housing Code violations discovered on inspection;

(c) all violations discovered on inspection shall be corrected by the developer;

(d) the Building Department, upon the developer's request, shall inspect corrections and repairs of violations, and, if such have

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been corrected to the satisfaction of the Building Department, issue a certificate of inspection and repairs. The certificate shall state only the violations discovered by the Building Department's inspection, that such have been corrected, and that the certificate makes no representation, guarantee or warranty with respect to such corrections or that all Housing and Building Code violations have been corrected; and

(e) the developer shall provide a copy of the inspection report and certificate to each tenant, with the notice served pursuant to section 6.64.040 and to every other prospective purchaser before offering to sell any converted unit to such purchaser.

No developer shall use the department's certificate in any advertising or indicate to anyone, in any fashion, for the purpose of inducing a person to purchase a condominium apartment, that Snohomish County or any of its agencies has "approved" the building or any unit for sale or that any such building or any unit is in any particular condition.

6.64.120 Required disclosures. In addition to the disclosures required by other sections of this resolution, the developer shall make available the following information to tenants, and prospective purchasers, and the Building Department at least seven (7) days before any purchase commitment is signed, or, in the case of tenants with the written notice provided by section 6.64.040:

(1) copies of all documents filed pursuant to the Horizontal Property Regimes Act, RCW Chapter 64.32;

(2) an itemization of the specific repairs and improvements made to the entire building during the six (6) months immediately preceding the offer of sale;

(3) an itemization of the repairs and improvements to be completed before close of sale;

(4) a statement of the services and expenses which are being paid for by the developer but which will in the future be terminated, or transferred to the purchaser or owners' association;

(5) an accurate estimate of the useful life of the building's major components and mechanical systems (foundation, exterior walls, exterior wall coverings other than paint or similar protective coating, exterior stairs, floors and floor supports, carpeting in common areas, roof cover, chimneys, plumbing system, heating system, water heating appliances, mechanical ventilation system, and elevator equipment); for each system and component whose expected life cannot be accurately estimated, the developer shall provide a detailed description of its present condition and an explanation of why no estimate is possible; and

(6) an itemized statement in budget form of the estimated monthly costs of owning the condominium apartment that the purchaser intends to buy. The itemization shall include but shall not be limited to:

- (a) payments on purchase loan;
- (b) taxes;
- (c) insurance;
- (d) utilities (which shall be listed individually);
- (e) homeowner's assessments;

(f) the projected monthly assessment needed for replacing building components and systems whose life expectancy is less than five (5) years; and

(g) a statement of the budget assumptions concerning occupancy and inflation factors.

6.64.130 Warranty on repairs. Each developer shall warrant for one (1) year from the date of completion all improvements and repairs disclosed pursuant to this chapter.

6.64.140 Unlawful acts. It shall be unlawful for any developer, agent of a developer or other person

(1) to make or cause to be made in any disclosure or other document required by this chapter any statement or representation that is knowingly false or misleading;

(2) to make or cause to be made any oral representation which differs materially from the statements in any disclosure or other documents required by this chapter;

(3) to make any false statement with respect to any rights of a tenant or other prospective purchase as provided by this act;

(4) by threat, bribe or coercion to deprive or attempt to deprive any tenant of any rights, including the right to possession, provided th this chapter.

PART IV

ADMINISTRATION, ENFORCEMENT, PENALTIES

6.64.150 Administration. The Director is authorized and directed to adopt, promulgate and amend administrative rules consistent with the provisions of this chapter and necessary to carry out his duties hereunder. The director is authorized to adopt a fee schedule for inspection required by this chapter, and charge such fees and such other fees as may be applicable. Failure of a developer to pay such fee shall be deemed a violation of this resolution.

6.64.160 Complaints. Any person subjected to any unlawful practice as set forth in this resolution may file a complaint in writing with the director. The director is hereby authorized and directed to receive complaints and conduct such investigations as are deemed necessary. Whenever it is determined that there has been a violation of this chapter, the director may, at his discretion:

(1) attempt to conciliate the matter by conference or otherwise and secure a written conciliation agreement; and/or

(2) refer the matter to the prosecuting attorney for criminal prosecution.

6.64.170 Penalties. Any person who violates any provision of this chapter, fails to comply with any provision of this chapter, or deliberately attempts to avoid the application of this ordinance shall, upon conviction, be fined a sum not to exceed two hundred-fifty DOLLARS (\$250.00). Each day's violation or failure to comply shall constitute a separate offense. Any such person shall also be subject to all civil penalties and procedures provided in Snohomish County Code, Chapter 17.40.

6.64.180 Severability. If any section, subsection, sentence, clause, phrase or other portion of this chapter is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and an independent provision and such decision shall not affect the validity of the remaining portions thereof.

6.64.190 Effective date. This chapter shall be effective on the 1st day of January, 1980.

COPY RECEIVED:

PLANNING W

BUILDING DB

PROS. ATTY. _____

SNO. CO. HOUSING AUTHORITY _____

Done in regular Session this 13th day of November, 1979.

ATTEST:

HENRY B. WHALEN

Henry B. Whalen
Chairman