Chapter 20 Summary
Subdivisions and Other Public Controls
California Real Estate Principles

Police power is the constitutional right of the government to regulate private activity to promote the general safety, health, and welfare of society. **No private property is exempt from eminent domain.**

A legal description is NOT THE ADDRESS of the property.
- Lot and Block system. This legal description lists the lot, block, subdivision, county, city, and state.
- The Metes and Bounds system is sometimes used to describe irregular pieces of property or in areas where a lot and block system is not in place.
- The Rectangular Survey System (government survey system).

Range Lines are lines on either side of a principal meridian and are divided into six-mile-wide strips by lines that run north and south parallel to the meridian.

A Township is a 36-square-mile area formed by the intersection of a township and range lines. Each township square is **divided into 36 Sections**, each one mile square.

California has 3 sets of base lines and meridians:
1. The Humboldt Base Line and Meridian in the northwestern part of the State
2. The Mt. Diablo Base Line and Meridian in the central part of the State
3. The San Bernardino Base Line and Meridian in the southern part of the State

**The Subdivision Map Act**
- Requires the mapping of all new subdivisions. Regulates the DIVISION of **2 or more lots for the purpose of selling, leasing, or financing said lots.**
- Administered by local officials, and focuses on the streets, design of the subdivision, the sewers and other physical aspects

**The Subdivided Lands Act**
- Designed to protect the purchasers of property in new subdivisions from fraud of misrepresentation when these purchasers are buying subdivided land.
- A subdivision is defined as a division of land into **5 or more lots** for the purpose of selling, leasing or financing.
- Before each lot in a new subdivision may be sold, the subdivider must deliver a copy of the Commissioner’s public report to the prospective buyer, who must then sign a statement attesting that he has read the public report. This statement must be kept on file by the subdivider for **3 years**.
- The public report is valid for **5 years**. Should a material change in the subdivision occur, then an amended public report must be issued by the Commissioner.
- A preliminary public report gives the subdivider the opportunity to take reservations for a purchase, pending the approval and issuance of a public report.
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Subdivision regulations:

- Subdivided land projects that are located in another state do NOT need to have a public report from the Commissioner.
- Out-of-state subdividers must include disclosures in both advertising and sales agreements.
- A true copy of ANY advertising material proposed for use for a land project offering must be submitted as part of the documentation required BEFORE the public report is issued.

A land project is a speculative subdivision development of 50 or more vacant lots that are located in a rural area that has fewer than 1,500 registered voters within 2 miles.

- Any contract to buy or lease land in a land project may be rescinded, IN WRITING, and without cause, within 14 days after the signing of the initial contract.

The Interstate Sales Full-Disclosure Act regulates land sales between two or more states. Under this law, out-of-state buyers have 7 days after receiving the public report to rescind the contract.

A Common Interest Development (CID): common areas used by all tenants, with the exception of separate interests to use as individual living units, and managed by a nonprofit association. Types of common interest ownership:

- Planned development (PD);
- Community apartment project;
- Condominiums (and time sharing);
- Stock cooperatives (also known as "Co-ops").

A planned development is a subdivision in which the lots are owned separately, but certain areas are owned in common by all owners.

A Common Area is the part of the lot or Chapter in the subdivision that is shared equally by all owners (undivided interest).

An undivided interest is the right of any owner to use ANY part of the project.

Community Apartment Projects are two or more apartments that are defined as a subdivision, in which the operation is usually exercised by the governing board.

A Condominium buyer, on the other hand, gets a FEE interest or DEED to his unit.

A Stock Cooperative is a CORPORATION formed to own the land and improved real property, that either owns OR leases real property.

A developer is one who attempts to put land to its most profitable use through the construction of improvements.

A subdivider is an owner whose land is divided into two or more lots and offered for disposition.