

Lot Line Adjustments

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Things to consider:

- 1). Are there loans on subject parcels?
 - a) If so, do they have a due on sale clause i.e. if you sell it or any part thereof the lender may call the note.
 - b) If the any of the lenders are “giving up” equity would they would want appraisals, partial pay-down on their note(s), etc., before executing a Partial Reconveyance instrument.
- 2). We recommend you obtain an enforceable agreement with all parties one wishes to adjust their boundaries with. This can be performed by your attorney.

Example of a Lot Line Adjustment case we had: Client agrees to Lot Line Adjustment; Municipality approves Lot Line Adjustment - the spouse of one of the parties dies and the surviving spouse does not want to sign anything for at least a year, if ever. Substantial monies are expended to acquire the Lot Line Adjustment approval. Therefore you should have some sort of enforceable agreement to perfect the Lot Line Adjustment process such as all parties will sign all necessary documents, applications, fees, prepayment of taxes, etc.

- 3). When one owns multiple parcels shown upon an Assessor’s Map does not mean they are legal and separate parcels. One may not adjust the boundaries of one of those Assessor’s Parcels unless they are proved to be legal and separate. Another considerations to a Lot Line Adjustment is zoning. If zoning of one parcel differs from the to-be adjusted parcel, the controlling agency may require re-zoning which is extremely costly, extremely time consuming and is not guaranteed re-zoning will be approved.

Back to the “legal & separate” mentioned above . . . before applying for a Lot Line Adjustment, if there are multiple Assessor Parcels, one must “prove” to the controlling agency that the multiple Assessor Parcels are legal and separate. This would require a Certificate of Compliance application with all the maps, chain of title, etcetera that prove the parcels were created legally at the time of their creation. (Hopefully deeds were created before the 1972 Subdivision Map Act.)

Overview of the Lot Line Adjustment process:

- 1). Lender considerations
- 2). Enforceable agreement with all parties to execute and do their part in the Lot Line Adjustment process.
- 3). Preliminary Reports on subject parcels prepared by a title company.
- 4). Obtain a site survey delineating the existing and proposed boundaries, structures and easements to be submitted with a Lot Line Adjustment application. The governing agency will police their zoning policies such as resultant area, setbacks, hillside ordinance, etc.
- 5). Upon approval the surveyor prepares descriptions of the parcel(s) to be conveyed. It is highly recommended that the adjusted boundary be monumented with permanent boundary markers *and* those points be called out and described in the legal description. Also a Record of Survey map shall be filed with the County Surveyor's Office.
- 6). Upon approval of the legal descriptions, they should be forwarded to a title company to prepare deeds, obtain Partial Reconveyance, (if lenders are involved), prepayment of taxes, etc. A title company should prepare all necessary documents to ensure the properties will be insurable by a title insurance subsequent to completion of the Lot Line Adjustment.
- 7). Prepayment of all property taxes.
- 8). Recording of deed(s) and Record of Survey map.
- 9). And any other considerations not mentioned above.

Lot Line Adjustment Costs:

- 1). Title company costs for Preliminary Reports, drafting deeds, obtaining Partial Reconveyances, (if lenders), prepayment of taxes approval.
- 2). Land surveyor's site map delineating existing and proposed boundary configurations related to the Lot Line Adjustment process. This estimate could be between \$ 7,000 to \$ 30,000 for a simple survey. Such an estimate does not include obtaining Certificates of Compliance, should the parcels have multiple Assessor's Parcels, nor re-zoning should the proposed Lot Line Adjustment cross zoning boundaries.
- 3). In some unusual cases a competent attorney may be required.

- 4). Governing agency application fees.
- 5). If approved surveyor, title company and possible others, complete Conditions of Approval. Estimated survey fees depending upon the legal descriptions of the parcels.
- 6). Title fees, lender(s) fees, prepayment of taxes, recording fees, etcetera to complete the Lot Line Adjustment.
- 7). To complete this Lot Line Adjustment could be between three months to two years.