



AGENDA ITEM NO.
C-14

COUNTY OF HUMBOLDT

For the meeting of: April 12, 2016

Date: March 21, 2016

To: Board of Supervisors

From: John Bartholomew, Treasurer-Tax Collector

Subject: RESOLUTION FOR CHAPTER 8 SALE OF TAX-DEFAULTED PROPERTIES TO THE SHELTER COVE RESORT IMPROVEMENT DISTRICT

RECOMMENDATION(S):

That the Board of Supervisors:

1. Approve Resolution # 116-41 for the sale of tax-defaulted property to the Shelter Cove Resort Improvement District No. 1 (Attachment 1).
2. Approve and sign the 'Agreement to Purchase Tax Defaulted Property' with the Shelter Cove Resort Improvement District No. 1 (Attachment 4).
3. Return all original documentation to the Treasurer-Tax Collector for sending to the State Controller's Office for approval and execution pursuant to Revenue and Taxation Codes 3795.

SOURCE OF FUNDING:

General Fund - All Costs for the Chapter 8 Agreement Sale will be reimbursed by the Shelter Cove Resort Improvement District.

DISCUSSION:

On February 9, 2016, your Board approved Resolution 16-19, approving the sale of properties tax-defaulted and subject to sale. Those properties subject to sale are now scheduled to be auctioned online through

Prepared by: John Bartholomew *JB*

CAO Approval *E. Hest*

REVIEW:	Auditor <i>JB</i>	County Counsel <i>JB</i>	Human Resources	Other
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TYPE OF ITEM:

Consent

Departmental

Public Hearing

Other

PREVIOUS ACTION/REFERRAL:

Board Order No. _____

Meeting of: _____

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT

Upon motion of Supervisor *Fennell* Seconded by Supervisor *Sundberg*

Ayes *Sundberg, Fennell, Lovelace, Bass*

Nays

Abstain

Absent *Bohn*

and carried by those members present, the Board hereby approves the recommended action contained in this Board report.

Dated: *April 12, 2016*

By: *Kathy Hayes*

Kathy Hayes, Clerk of the Board

Bid4Assets from April 22 – 25, 2016.

Public agencies may purchase tax-defaulted property through a Chapter 8 Agreement Sale pursuant to Chapter 8, Part 6, Division 1, of the California Revenue and Taxation (R&T) code provided all required documentation is received in a timely manner and that the agency is qualified to make such a request.

On March 21, 2016 The Tax Collector's office received Resolution 16-07 (Attachment 2) from the Shelter Cove Resort Improvement District (RID) which objects to the sale of property scheduled for the Chapter 7 public tax sale. Along with the objection to sale, the Tax Collector's office also received an Application to Purchase Tax Defaulted Property from County (Attachment 3), and a proposed Agreement to Purchase Tax-Defaulted Property (Agreement) from the County (Attachment 4).

The proposed Agreement allows the County of Humboldt to sell APN: 110-041-012-000 to the RID for the public purpose and intended use stated therein, for the minimum bid amount of Four Thousand and Four Hundred (\$4,400) dollars. If your Board approves and signs the proposed Agreement to Purchase Tax-Defaulted Property, then APN: 110-041-012-000 will not be offered at the public tax sale as currently scheduled.

The Tax Collector has confirmed that the documents submitted by the RID were in order, received timely, and that the RID is a qualifying entity per R&T codes §3695 and §3695.4. Exhibit A of the Agreement provides the physical address and the intended public purpose for the property as required in a Chapter 8 sale. It appears that all documentation requirements for a Chapter 8 Agreement Sale, pursuant to Chapter 8, Part 6, Division 1, of the R&T code have been met by the RID.

Therefore, the Tax Collector recommends approval of the Resolution (Attachment 1) and the proposed Agreement (Attachment 4) to sell APN: 110-041-012-000 to the RID. Once signed by your Board the proposed Agreement and all supporting documents will be sent to the California State Controller for final approval and execution pursuant to R&T code §3795.

FINANCIAL IMPACT:

The proposed Agreement specifies that the RID will pay the minimum bid amount previously approved by your Board for the auction property. All additional costs of the sale including notification of parties of interest and publication costs will also be reimbursed by the RID.

The net effect is that all current and delinquent property taxes, penalties, fees, and interest will be paid, and all costs of the Chapter 8 sale will be covered. This action also supports your strategic framework by facilitating a public partnership with the RID to solve the problem of un-paid property taxes.

OTHER AGENCY INVOLVEMENT:

Shelter Cove Resort Improvement District No. 1

ALTERNATIVES TO STAFF RECOMMENDATIONS:

Your Board could not approve the Resolution and Agreement to sell Tax-Defaulted Property to the RID. This alternative is not recommended because state law requires the Tax Collector to sell tax delinquent parcels at auction with Board of Supervisors approval and to follow statutory requirements when a Chapter 8 sale is requested by a qualified taxing agency.

ATTACHMENTS:

1. **Board Resolution authorizing Chapter 8 Agreement Sale**
2. **Resolution 16-07 from the Shelter Cove Resort Improvement District**

3. **Application to Purchase Tax Defaulted Property**
4. **Agreement to Purchase Tax Defaulted Property**

ATTACHMENT 1

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT, STATE OF CALIFORNIA

Certified copy of portion of proceedings, Meeting of April 12, 2016

RESOLUTION NO. 16-41

RESOLUTION AUTHORIZING THE CHAPTER 8 SALE OF TAX-DEFAULTED PROPERTIES TO THE SHELTER COVE RESORT IMPROVEMENT DISTRICT No. 1

WHEREAS, the Humboldt County Tax Collector received Resolution 16-7 from the Shelter Cove Resort Improvement District No. 1 (RID) objecting to the sale of 1 tax-defaulted property within the boundaries of their district; and

WHEREAS, the RID submitted an 'Application to Purchase Tax Defaulted Property from County' for acquiring that tax-defaulted property within their jurisdiction and submitted the required mission statement and district map; and

WHEREAS, the RID has been found to be a qualified public agency authorized to request the purchase of tax-defaulted properties within their jurisdiction per Revenue and Taxation (R&T) code 3695 and 3695.4; and

WHEREAS, an 'Agreement to Purchase Tax-Defaulted Property' has been written, agreed to, and signed by the RID, and received back by the Tax Collector along with all required supportive documentation; and

WHEREAS, all documentation once approved by the Board of Supervisors will be further submitted to the California State Controller's Office for final approval per R&T code 3795.

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Humboldt County hereby approve and authorize the sale of the tax-defaulted property to the Shelter Cove Resort Improvement District No. 1 and authorize the Board Chairperson to sign the 'Agreement to Purchase Tax Defaulted Property', in accordance with the rules governing Chapter 8 sales to public agencies.

Dated: April 12, 2016



MARK LOVELACE, Chair
Humboldt County Board of Supervisors

Adopted on motion by Supervisor Fennell, seconded by Supervisor Sundberg, and the following vote:

AYES:	Supervisors	Sundberg, Fennell, Lovelace, Bass
NAYS:	Supervisors	--
ABSENT:	Supervisors	Bohn
ABSTAIN:	Supervisors	--

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT, STATE OF CALIFORNIA

Certified copy of portion of proceedings, Meeting of April 12, 2016

RESOLUTION NO. 16-41

STATE OF CALIFORNIA)
County of Humboldt)

I, KATHY HAYES, Clerk of the Board of Supervisors, County of Humboldt, State of California, do hereby certify the foregoing to be an original made in the above-entitled matter by said Board of Supervisors at a meeting held in Eureka, California.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Seal of said Board of Supervisors.




By ANA HARTWELL
Deputy Clerk of the Board of Supervisors of the
County of Humboldt, State of California

ATTACHMENT 2

RESOLUTION 16-07
OF
RESORT IMPROVEMENT DISTRICT NO. 1 AND SHELTER COVE
SEWER AND OTHER FACILITIES MAINTENANCE DISTRICT NO. 1,
RESOLUTION OF INTENT TO PURCHASE TAX DEFAULTED PROPERTIES

WHEREAS, the Humboldt County Tax Collector will hold a public tax auction of tax-defaulted properties on April 25th, 2016; and

WHEREAS, the Resort Improvement District No. 1 (RID) have evaluated and considered Shelter Cove tax-defaulted properties; and

WHEREAS, the RID Board object to the sale of one of the tax-defaulted properties as listed below; and

WHEREAS, the RID Board have reached a consensus that the following property is best suited for the public purpose of building public infrastructure and/or greenbelt access and use; and

WHEREAS, the RID Board approves a budget of up to \$5,000 to purchase the tax-defaulted property and cover any costs associated with conveyance;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Resort Improvement District No. 1 hereby:

1. Approves the RID acquire the following property:

110-041-012-000

2. Appoints the General Manager as agent to submit all documents which may be necessary for the completion of the acquisition.

APPROVED AND ADOPTED this 17th day of March, 2016 at a Regular Meeting of the Board of Directors of the RESORT IMPROVEMENT DISTRICT NO. 1, by the following vote:

AYES: Fox, Corley, Sommer.

NOES: None.

ABSENT: Caldwell, Hargrave.

ABSTAIN: None.

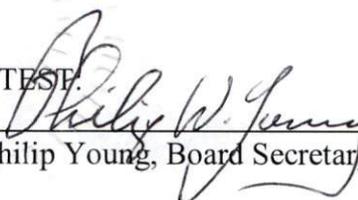
RESORT IMPROVEMENT DISTRICT NO. 1

By: 

Susan Fox, President

Board of Directors

ATTEST:


Philip Young, Board Secretary

ATTACHMENT 3

* Application to Purchase Tax-Defaulted Property from County

This application must be completed by an eligible purchasing entity to commerce purchase of tax-defaulted property by agreement sale from the county under applicable provisions of the California Revenue and Taxation Code. Complete the following sections and supply supporting documentation. Completion of this application does not guarantee purchase approval.

A. Purchaser Information

1. Name of Organization: RESORT IMPROVEMENT DISTRICT N° 1
2. Corporate Structure – check the appropriate box below and provide the corresponding information:
 - Nonprofit – provide Articles of Incorporation
 - Public Agency – provide mission statement (if redevelopment agency or special district, provide jurisdiction map)

B. Purchasing Information

Determine which category the parcel falls under and then check the appropriate box as it relates to the purchasing entity's corporate structure and the intended use of the parcel: (Note: From the six choices, check only one)

Category A: Parcel is currently scheduled for a Chapter 7 tax sale

- Purchase by tax agency/revenue district to preserve its lien
- Purchase by State, county, revenue district, special district, or redevelopment agency for public purpose
- Purchase by nonprofit for low-income housing or to preserve open space

Category B: Parcel is not currently scheduled for a Chapter 7 tax sale

- Purchase by taxing agency for public purpose
- Purchase by State, county, revenue district, special district, or redevelopment agency for public purpose
- Purchase by nonprofit for low-income housing or to preserve open space

C. Property Detail

Provide the following information. If you need more space for any of the criteria, consolidate the information into a separate "Exhibit" document and attach it to this application:

1. County where the parcel(s) is located: HUMBOLDT COUNTY
2. List each parcel by Assessor's Parcel Number: 110-041-012-000
3. State the purpose and intended use for each parcel: Future utility development for public purpose

D. Acknowledgement Detail

Provide the signature of the purchasing entity's authorized officer

Philip W. Jarama
Authorized Signature

GENERAL MANAGER
Title

3/21/16
Date

AGF-16 (SCO 8-16)

ATTACHMENT 4

AGREEMENT TO PURCHASE TAX-DEFAULTED PROPERTY

This Agreement is made this 12th day of April, 2016 by and between the **COUNTY OF HUMBOLDT**, a political subdivision of the State of California ("COUNTY"), and the **RESORT IMPROVEMENT DISTRICT AND OTHER FACILITIES MAINTENANCE DISTRICT NO. 1**, in accordance with provisions of California law ("PURCHASER") with reference to the following facts:

RECITALS

A. The real property situated within said county, hereinafter set forth and described in Exhibit "A" of this Agreement, is tax-defaulted and is subject to the power of sale by the tax collector of said county for the nonpayment of taxes, pursuant to provisions of law.

AGREEMENT

In consideration of the mutual promises herein set forth, the parties mutually agree as follows:

1. Payment for Notice. As provided by Section 3800 of the Revenue and Taxation Code, PURCHASER shall pay the cost of giving notice of this Agreement and the cost of publication or posting the Notice of Agreement.
2. Purchase and Evidence of Title. Within twenty-one (21) days from the effective date of this Agreement, PURCHASER also agrees to pay a sum sufficient to redeem the delinquent property taxes pursuant to Revenue and Taxation Code section 3793.1(a) or a reduced price in accordance with section 3793.1(b). The approval and notice process will determine the effective date of the sale and the final purchase price. PURCHASER agrees to pay the amount specified in Exhibit "A" for the property described in Exhibit "A.": Payment shall be by Humboldt County Journal Voucher, cash or certified funds payable to the County Tax Collector. Upon receipt of said sums by the Tax Collector, the Tax Collector shall execute and record a deed conveying title to said property to PURCHASER and after recordation the deeds will be returned to the purchaser by the County Clerk/Recorder.
3. No Representation. COUNTY makes no representation concerning the condition of title to the subject property. Additionally, COUNTY makes no representation concerning the physical condition of the subject property and PURCHASER acknowledges that it is not relying upon any statements or representations of the COUNTY concerning the subject property and is purchasing the subject property in its "as is" condition.

4. Other Expenses. PURCHASER shall pay the other expenses in addition to the purchase price of the property, including but not limited to the cost of proceeding to obtain a clear title to the property, and the expenses incurred in the payment, compromise or other method of removal of any liens or adverse claims against the property.
5. Real Property Taxes, Fiscal Year 2015-2016. The purchase price does include property taxes for Fiscal Year 2015-2016. Any refund pursuant to Revenue and Taxation Code Section 4986 will be issued for the period of time from the tax deed recordation date to June 30, 2016.
6. Treated as A Single Transaction. COUNTY shall sell the parcel listed in Exhibit "A" as a single transaction to the PURCHASER in consideration of the receipt of the payments in paragraphs 1. through 3.
7. Redemption. If the parcel listed in Exhibit "A" is redeemed prior to the effective date of this agreement, this Agreement shall be null and void as to that parcel. Notwithstanding the foregoing, the Agreement shall be binding and shall remain in full force and effect with respect to any remaining parcel(s).
8. Purchaser's Default. This Agreement shall become null and void and the right of redemption restored upon the PURCHASER'S failure to comply with the terms and conditions of this Agreement prior to the tax deed recordation. The PURCHASER will be required to reimburse the Tax Collector for the costs for providing notice, publication, and actual costs incurred for preparing and conducting the Chapter 8 Agreement Sale if these expenses have already been incurred.
9. Indemnity. The PURCHASER shall indemnify COUNTY from and against any and all liability, loss, costs, damages, fees of attorneys, and other expenses which COUNTY may sustain or incur by reason of a challenge to the validity of the tax-default sale of the property described in Exhibit "A". Pursuant to Section 3809 of the California Revenue and Taxation Code, a proceeding based on alleged invalidity or irregularity of any proceeding instituted can only be commenced within one year after the date of execution of the Tax Collector's deed. Therefore, PURCHASER may find it prudent to delay any improvement on the property for this one-year period.
10. Environmental Condition of Property. The parcel acquired pursuant to this Agreement may contain hazardous wastes, toxic substances, or other substances regulated by federal, state, and local agencies. COUNTY in no way whatsoever assumes any responsibility, implied or otherwise, and makes no representations that the parcel is in compliance with federal, state, or local laws governing such substances. COUNTY in no way assumes any responsibility, implied or otherwise, for any costs or liability of any kind imposed upon or voluntarily assumed by PURCHASER or any other owner to remediate, clean up, or otherwise bring into compliance according to federal, state, or local environmental laws any parcel purchased.
11. CERCLA. COUNTY and PURCHASER agree that, under 42 U.S.C. § 9601(20)(D), the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA") expressly excludes local and state governments from clean up liability for properties they acquire as a result of tax delinquencies. Notwithstanding this provision, PURCHASER

shall defend, indemnify, and hold harmless COUNTY, its Board of Supervisors, officers, directors, agents, employees and volunteers from and against any and all demands, claims, actions, liabilities, losses, damages, and costs, including reasonable attorneys' fees, arising out of or resulting from the performance of this Agreement, regardless of whether caused in part by a party indemnified hereunder, including but not limited to allegations that COUNTY and/or COUNTY's officers, directors, agents, employees, or volunteers are liable for costs or other charges related to the remediation, clean up, or other work necessary to bring any parcel purchased under this Agreement into compliance with federal, state, or local environmental laws.

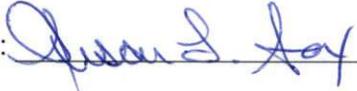
12. Approval by State Controller. Revenue and Taxation Code Section 3795 requires this Agreement to be submitted to and approved by the California State Controller before it becomes final. The Agreement is not in effect until State Controller authorization is received.

The undersigned hereby agree to the terms and conditions of this agreement and are duly authorized to sign for said agencies.

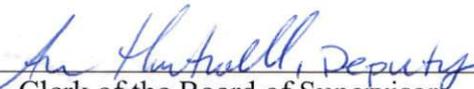
ATTEST:

By: 
(SEAL)

RESORT IMPROVEMENT DISTRICT
NO. 1 AND SHELTER COVE SEWER
AND OTHER FACILITIES
MAINTENANCE DISTRICT NO.1

By: 

ATTEST:

By: 
Clerk of the Board of Supervisors
By: Ana Hartwell
Deputy

BOARD OF SUPERVISORS OF
HUMBOLDT COUNTY

By: 
Mark Lovelace - Chairman

(SEAL)

Pursuant to the provisions of Section 3795 of the Revenue and Taxation Code, the Controller approves the foregoing agreement this _____ day of _____, _____.

JOHN CHIANG,
CALIFORNIA STATE CONTROLLER

By: _____

Exhibit A

The **Resort Improvement District No. 1** and **Shelter Cove Sewer and Other Facilities Maintenance District No. 1** have objected to the sale of the following Humboldt County tax defaulted property scheduled for Chapter 7 public tax sale, and have made a purchase request for this same property per their Resolution # 16-7:

<u>APN</u>	<u>ADDRESS</u>	<u>MINIMUM BID</u>
110-041-012-000	102 Toth Road, Shelter Cove, CA	\$ 4,400.00

PUBLIC PURPOSE / INTENDED USE:

This lot is best suited for the public purpose of building public infrastructure and / or greenbelt access and use.