

CITY COUNCIL AGENDA STAFF REPORT

DATE: **November 11, 2022**

TO: Honorable Mayor and Members of the City Council

FROM: Jon Kennedy, City Manager and Susan Scarlett, Finance Officer

MEETING: **November 15, 2022**

SUBJECT: Application to purchase tax-defaulted property from Plumas County with use of ARPA funds.

The properties being discussed have been a health and safety issue for City staff for years. Early in 2022 staff contacted the Treasurer-Tax Collector to discuss the possible purchase of these tax defaulted properties for a public purpose. During this process the State and Local Fiscal Recovery Funds (ARPA) were considered as a possibility to purchase these properties. In reviewing the final rules on the funds, the purchase of these properties is a consistent and appropriate use.

In order to move forward the City Council needs to approve the Application to Purchase Tax-Defaulted Property from the County which will then go to the Board of Supervisors for approval. Attached is a Memo from Julie White the Treasurer-Tax Collector, the Application from the County. The application covers 23 properties and could be obtained for as low as \$20,000, all dependent upon Board of Supervisor approval and final accounting by Tax Collector's office. One potential use for the property could be to promote housing.

Staff recommendation: Approve the Application to Purchase Tax-Defaulted Property from Plumas County and authorize the Interim City Manager to execute the application.




Julie A. White
PLUMAS COUNTY TREASURER - TAX COLLECTOR - COLLECTIONS ADMINISTRATION

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Kelsey Hostetter, Assistant Treasurer-Tax Collector
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DATE: November 8, 2022

TO: Susan Scarlett
City of Portola

FROM: Julie A. White 
Plumas County Treasurer-Tax Collector

SUBJECT: La Jolla Loans, Inc. – Proposed Chapter 8 Tax Sale

The parcels assessed to La Jolla Loans Inc. became tax default for non-payment of taxes July 1st, 2009. When default taxes are not paid for 5 years, the property becomes Subject to Sale by the Plumas County Tax Collector. The Notice to Sell Tax-Defaulted Property was recorded October 1st, 2014 as public record and re-recorded to amend the legal descriptions July 30th, 2019. The legal descriptions provided by the Assessor's office on the original Notice of Power to Sell included all the parcels included in a prior recorded foreclosure document transferring title. Later deemed to be incorrect by the Assessor's office and amended to be parcel specific on the Notice.

The parcels were offered and not sold in the 2015 tax sale and not sold at re-offer. Revenue and Taxation code states the bid will be set at taxes owed by the tax collector and if the property does not sell the tax collector has the authority to lower the bid to attract bidding. The bids for this sale were set at taxes owed and when they did not sell the bids were cut in half. Unfortunately, La Jolla Loans Inc. did not notify Plumas County that they were in bankruptcy. The properties could no longer be offered at auction until the bankruptcy was discharged. The bankruptcy was terminated March 1st, 2019 according to PACER a US Court case locator. The parcels were offered again in the May, 2019 sale with a taxes owed bid set and they did not sell. The bids were cut in half and re-offered and did not sell. The properties were again approved by the Board of Supervisors to be sold at the October, 2021 tax sale with the 2019 re-offer bids cut in half, however the properties were removed from the sale due to the Parties of Interest notices not being able to be sent timely. Part of a sale process is that all Parties of Interest are notified by certified mail that the property is tax default and going to auction.

When the City contacted me regarding possibly purchasing these parcels in a Chapter 8 sale, I quoted the bids approved by the Board of Supervisors for the October, 2021 sale. Revenue & Taxation code 3793.1 (b) authorizes this; *"if the property or property interests have been offered for sale under the provisions of Chapter 7 (commencing with Section 3691) at least once and no acceptable bids therefor have been received, the tax collector may, in his or her discretion and with the approval of the board of supervisors, offer that property or those interests at a minimum price that the tax collector deems appropriate."* With regard to the difference in the tax default amount due and the lower minimum bid, the County has a Tax Loss Reserve fund that is used to make up the difference in a lowered bid and the amount actually due. Therefore, entities are made whole when taxes are apportioned.

I have included the amended Power to Sells and parcel maps of the subject parcels. Please let me know what further questions you have.

Thank you.

Application to Purchase Tax-Defaulted Property from County

This application must be completed by an eligible purchasing entity to commence 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: City of Portola
2. Corporate Structure – check the appropriate box below and provide the corresponding information:
 - Nonprofit Organization– 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 below, 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 more space is needed exhibits may be attached.)

1. County where the parcel(s) is located: Plumas County
2. List each parcel by Assessor's Parcel Number: See Attached Exhibit "A"
3. State the purpose and intended use for *each* parcel:

D. Acknowledgement Detail

Provide the signature of the purchasing entity's authorized officer

Authorized Signature

Title

Date

AGF-2 (SCO 8-16)

EXHIBIT "A"
CHAPTER 8 AGREEMENT SALE OF TAX DEFAULTED PROPERTY

BOARD OF SUPERVISORS EXHIBIT "A"
REQUEST APPROVAL AUGUST 10, 2021

ASSESSOR'S PARCEL NUMBER	ASSESSED OWNER/PROPERTY ADDRESS	MINIMUM BID
GROUP 1 - 6 PARCELS		
125-196-005-000	LA JOLLA LOANS INC A CA CORP	\$ 4,800.00
125-196-006-000	LA JOLLA LOANS INC A CA CORP	
125-196-007-000	LA JOLLA LOANS INC A CA CORP	
125-196-008-000	LA JOLLA LOANS INC A CA CORP	
125-196-009-000	LA JOLLA LOANS INC A CA CORP	
125-196-010-000	LA JOLLA LOANS INC A CA CORP CITY OF PORTOLA	
GROUP 2 - 2 PARCELS		
125-221-001-000	LA JOLLA LOANS INC A CA CORP	\$ 1,922.00
125-221-004-000	LA JOLLA LOANS INC A CA CORP CITY OF PORTOLA	
GROUP 3 - 12 PARCELS		
125-222-005-000	LA JOLLA LOANS INC A CA CORP	\$ 9,478.00
125-222-006-000	LA JOLLA LOANS INC A CA CORP	
125-222-007-000	LA JOLLA LOANS INC A CA CORP	
125-222-008-000	LA JOLLA LOANS INC A CA CORP	
125-222-009-000	LA JOLLA LOANS INC A CA CORP	
125-222-010-000	LA JOLLA LOANS INC A CA CORP	
125-222-011-000	LA JOLLA LOANS INC A CA CORP	
125-222-012-000	LA JOLLA LOANS INC A CA CORP	
125-222-013-000	LA JOLLA LOANS INC A CA CORP	
125-222-014-000	LA JOLLA LOANS INC A CA CORP	
125-222-015-000	LA JOLLA LOANS INC A CA CORP	
125-222-016-000	LA JOLLA LOANS INC A CA CORP CITY OF PORTOLA	
GROUP 4 - 3 PARCELS		
125-223-010-000	LA JOLLA LOANS INC A CA CORP	\$ 2,450.00
125-223-011-000	LA JOLLA LOANS INC A CA CORP	
125-223-012-000	LA JOLLA LOANS INC A CA CORP CITY OF PORTOLA	

State of California

REVENUE AND TAXATION CODE

Section 3793.1

3793.1. (a) The sales price of any property sold under this article shall include, at a minimum, the amounts of all of the following:

- (1) All defaulted taxes and assessments, and all associated penalties and costs.
- (2) Redemption penalties and fees incurred through the month of the sale.
- (3) All costs of the sale.
- (4) The outstanding balance of any property tax postponement loan.

(b) If the property or property interests have been offered for sale under the provisions of Chapter 7 (commencing with Section 3691) at least once and no acceptable bids therefor have been received, the tax collector may, in his or her discretion and with the approval of the board of supervisors, offer that property or those interests at a minimum price that the tax collector deems appropriate.

(c) The board of supervisors may permit a nonprofit organization to purchase property or property interests by way of installment payments.

(d) For purposes of this section, the “outstanding balance of any property tax postponement loan” is the sum of the following:

- (1) The tax payments made by the State Controller’s office on behalf of the claimant in the Property Tax Postponement Program.
- (2) Accrued interest pursuant to Section 16183 of the Government Code, subject to Sections 20644 and 20644.5.
- (3) Other associated fees and penalties as deemed appropriate by law.
- (4) Less any payments already made on the property tax postponement loan.

(Amended by Stats. 2014, Ch. 703, Sec. 24. (AB 2231) Effective September 28, 2014.)



BOARD OF SUPERVISORS

Dwight Ceresola, Vice Chair 1st District
Kevin Goss, 2nd District
Sharon Thrall, 3rd District
Greg Hagwood, 4th District
Jeff Engel, Chair 5th District

MEETING MINUTES

**ADJOURNED REGULAR MEETING OF THE BOARD OF SUPERVISORS
COUNTY OF PLUMAS, STATE OF CALIFORNIA
HELD IN QUINCY ON AUGUST 10, 2021**

STANDING ORDERS

Due to the Coronavirus disease (COVID-19) Public Health Emergency, dated March 16, 2020, the County of Plumas is making several changes related to Board of Supervisors meetings to protect the public's health and prevent the disease from spreading locally.

California Governor Gavin Newsom issued Executive Order N-29-20 on March 17, 2020, relating to the convening of public meetings in response to the COVID-19 pandemic.

Pursuant to the Executive Order, and the Governor's temporary partial exemptions to the Brown Act, and to maintain the orderly conduct of the meeting, the County of Plumas members of the Board of Supervisors may attend the meeting via teleconference or phone conference and participate in the meeting to the same extent as if they were physically present. Due to the Governor's temporary, partial exemption to the Brown Act, the Boardroom will be open to the public but subject to social distancing requirements, which limit the number of people that may enter to 25% of room capacity. Those that wish to attend the Board meeting, will be required to wear a face covering, as required by the local Public Health Officer order. The public may participate as follows:

Live Stream of Meeting

Members of the public who wish to watch the meeting, are encouraged to view it **LIVE ONLINE**

ZOOM Participation

The Plumas County Board of Supervisors meeting is accessible for public comment via live streaming at: <https://zoom.us/j/94875867850?pwd=SGISeGpLVG9wQWtRSnNUM25mczlvZz09> or by phone at: Phone Number 1-669-900-9128; Meeting ID: 948 7586 7850. Passcode: 261352

Public Comment Opportunity/Written Comment

Members of the public may submit written comments on any matter within the Board’s subject matter jurisdiction, regardless of whether the matter is on the agenda for Board consideration or action. Comments will be entered into the administrative record of the meeting. Members of the public are strongly encouraged to submit their comments on agenda and non-agenda items using e-mail address Public@countyofplumas.com

10:00 A.M.  **CALL TO ORDER/ROLL CALL**

Roll Call.

Present: Supervisor Hagwood, Supervisor Goss, Supervisor Ceresola, Supervisor Engel,

Absent: Supervisor Thrall.

 **PLEDGE OF ALLEGIANCE**

Julie Hagwood lead the Pledge of Allegiance.

ADDITIONS TO OR DELETIONS FROM THE AGENDA

None

 **PUBLIC COMMENT OPPORTUNITY**

Pastor George offered prayer

- Ross Morgan spoke regarding an endeavor (Community Group) that he is involved in called “Labor of Love”
- Tonya Sherman spoke regarding her concerns for the Dixie Fire evacuees.
- Julie Hagwood thanked those who set up and were involved in the efforts put fourth at the LAC, and her hope that survivors of the Dixie Fire would be treated with compassion and dignity.
- Rose spoke regarding concerns related to the Dixie Fire.

 **DEPARTMENT HEAD ANNOUNCEMENTS / REPORTS**

- Marcy DeMartile - gave a brief report regarding the Governor Recall Election and evacuee accommodations in place. Also discussed the upcoming District Elections and how the fire will effect this.
- Sheriff Todd Johns spoke regarding Dixie Fire and had the US Department of Forestry Incident Command team accompany him to gave a brief status report on the Dixie Fire

ACTION AGENDA

1.  **PUBLIC HEALTH AGENCY** – Dr. Dana Loomis
Report and update on COVID-19; receive report and discussion

2.  **CONSENT AGENDA**

These items are expected to be routine and non-controversial. The Board of Supervisors will act upon them at one time without discussion. Any Board members, staff member or interested party may request that an item be removed from the consent agenda for discussion. Additional budget appropriations and/or allocations from reserves will require a **four/fifths roll call vote**.

Motion: Approve the following consent matters, as submitted, **Action:** Approve, **Moved by** Supervisor Goss, **Seconded by** Supervisor Hagwood.

Vote: Motion carried by unanimous roll call vote (**summary:** Yes = 4).

Yes: Supervisor Ceresola, Supervisor Engel, Supervisor Goss, Supervisor Hagwood.

Absent: Supervisor Thrall.

A. BEHAVIORAL HEALTH

- 1) Approve and Authorize the Director of Behavioral Health to sign agreement between Plumas County and Shasta County to participate in a collaborative effort known as the Homeless Management Information system; not to exceed \$10,000.00; approved as to form by County Counsel
- 2) Approve and authorize the Chair to sign Memorandum of Understanding (MOU) between Plumas County and Blue Cross of California Partnership Plan; to describe responsibilities in the delivery of special mental health services to Anthem Members
- 3) Approve and authorize the Chair to sign agreement between Plumas County and Environmental Alternatives (EA) to provide special mental health services, aftercare services to Medi-Cal beneficiaries who have transitioned from Full Service Partnership care services to permanent supportive housing as needed; approved as to form by County Counsel
- 4) Adopt **RESOLUTION** approving the Contract between Plumas County and the Department of Health Care Services, and authorizing the Director of Behavioral Health to sign any documents pertaining to this grant as the Board of Supervisors designee; approved as to form by County Counsel
- 5) Approve and Authorize the Chair to sign Agreement between Plumas County and Environmental Alternatives, to provide mental health and specialty services to qualifying participants; not to exceed \$916,386.00; services are funded through the Mental Health Services Act; approved as to form by County Counsel

B. PLANNING


- 1) Approve and authorize Chair to sign Service Agreement between Plumas County and Hinman and Associates Consulting, Inc. for administrative services in support of DWR Proposition 1 Round 1 IRWM Grant Program; not to exceed \$57,500; approved as to form by County Counsel
- 2) Approve and authorize Chair to sign Funding Agreement between Plumas County and Sierraville Public Utility District for DWR Proposition 1 Round 1 IRWM Grant Program, Local Project Sponsor's Project Entitled Alternative Water Source Development; not to exceed \$627,660; approved as to form by County Counsel
- 3) Approve and authorize Chair to sign Second Amendment to Service Agreement between Plumas County and Hinman and Associates Consulting, Inc., for scope of work support services of DWR Disadvantaged Community Involvement Grant Program; not to exceed \$17,460; approved as to form by County Counsel

C. PUBLIC WORKS/ BECKWOURTH CSA

- 1) Approve and authorize the Chair to sign Amendment No. 18, to service agreement between Plumas County and Stantec Consulting Services, Inc.; extending the base agreement expiration date by 2 years; approved as to form by County Counsel
- 2) Authorize no contract payments to Jet Plumbing for Emergency repair of Beckwourth CSA sewer pump; Invoice total \$3,334.83

D. TREASURER – TAX COLLECTOR

Approve and authorize the County Treasurer/ Tax Collector to offer properties for sale by Public Auction that are (5) five years tax default; in accordance with Chapter 7 of Part 6 of Division 1 of the California Revenue Taxation Code.

3.  **NON-LETHAL PREDATOR CONTROL** – Presentation by Josh Hart, Michelle L. Lute, PhD, and Jessica L. Blome, Greenfire Law, PC

 Adjourn as the Plumas County Board of Supervisors