

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Auditor - Controller - Treasurer - Tax Collector	(2) MEETING DATE 12/15/2015	(3) CONTACT/PHONE Lori Guidotti, (805) 781-5840 Gordon Eiland, (805) 781-5848	
(4) SUBJECT Request to authorize an Agreement to Purchase Tax-Defaulted Land, Sale Number 237; and to approve a budget adjustment in the amount of \$15,600 from General Fund contingencies to FC 116 - Central Services by 4/5 vote, to purchase five (5) parcels of tax-defaulted land located in the paper subdivisions above Cayucos and one (1) parcel of tax-defaulted land located in rural South County. Districts 2 and 4.			
(5) RECOMMENDED ACTION It is recommended that your Board: <ol style="list-style-type: none"> 1. Approve and authorize the Chairperson to sign the attached sale agreement entitled, "Agreement to Purchase Tax-Defaulted Property." 2. Authorize the Department of Central Services to purchase five (5) parcels of tax-defaulted land located in the paper subdivisions above Cayucos and one (1) parcel of tax-defaulted land located in rural South County. 3. Approve a budget adjustment in the amount of \$15,600 from General Fund contingencies to FC 116 - Central Services by 4/5 vote to purchase the parcels referred to in #2. 			
(6) FUNDING SOURCE(S) N/A	(7) CURRENT YEAR FINANCIAL IMPACT \$15,600.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? No
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____) <input type="checkbox"/> Board Business (Time Est. ____)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: 1516045 <input checked="" type="checkbox"/> 4/5 Vote Required <input type="checkbox"/> N/A	
(14) LOCATION MAP Attached with Agreement	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A Date: _____	
(17) ADMINISTRATIVE OFFICE REVIEW			
(18) SUPERVISOR DISTRICT(S) District 2 , District 4			

County of San Luis Obispo



TO: Board of Supervisors

FROM: James P. Erb, CPA
Auditor, Controller, Treasurer, Tax Collector, Public Administrator

DATE: December 15, 2015

SUBJECT: Request to authorize an Agreement to Purchase Tax-Defaulted Land, Sale Number 237; and to approve a budget adjustment in the amount of \$15,600 from General Fund contingencies to FC 116 - Central Services by 4/5 vote, to purchase five (5) parcels of tax-defaulted land located in the paper subdivisions above Cayucos and one (1) parcel of tax-defaulted land located in rural South County. Districts 2 and 4.

RECOMMENDATION

It is recommended that your Board:

1. Approve and authorize the Chairperson to sign the attached sale agreement entitled, "Agreement to Purchase Tax-Defaulted Property."
2. Authorize the Department of Central Services to purchase five (5) parcels of tax-defaulted land located in the paper subdivisions above Cayucos and one (1) parcel of tax-defaulted land located in rural South County.
3. Approve a budget adjustment in the amount of \$15,600 from General Fund contingencies to FC 116 - Central Services by 4/5 vote to purchase the parcels referred to in #2.

DISCUSSION

California Revenue and Taxation Code (R&T Code), Division 1, Part 6, Chapter 8 requires the Tax Collector to offer for sale property which has become subject to sale by reason of nonpayment of taxes for more than five years. The Tax Collector may sell any of these parcels to the State, the County, any taxing agency or revenue district, or certain qualifying nonprofit organizations for the purpose of public use.

On July 12, 1988 the Board of Supervisors approved a policy submitted by the Central Services Department entitled Tax Deeded Property Acquisition Policy, which defined the premises by which certain tax deeded properties would be purchased by the County. The policy directed that tax-defaulted properties which have been deemed sub-standard for development, or are located in uneconomic subdivisions or paper subdivisions of land such as is found in Cayucos, La Grande Beach, and California Valley be considered for purchase.

The Central Services Department has agreed to purchase five (5) parcels, located in the Cayucos "Hillside" area, for the purpose of public use. The Central Services Department has also agreed to purchase one (1) parcel, located in rural South County for Roads/Transportation purposes.

The parcels are listed by assessment number in "Exhibit A" of the purchase agreement. A copy of the Notice of Power to Sell Tax-Defaulted Property and a parcel map for each of the properties is included in "Exhibit B."

To fund the purchase of the properties the Central Services Department is requesting a Budget Adjustment to Fund Center 11607 from General Fund contingencies, for the purpose of purchasing five (5) parcels of tax-defaulted land located in the paper subdivisions above Cayucos, and one (1) parcel of tax-defaulted land located in rural South County. The attached budget adjustment anticipates that all six (6) properties will be purchased. Therefore, the total amount of the requested budget adjustment is \$15,600. In the event the final sale is less than all six (6) properties, the budget adjustment will be decreased to reflect the final purchase price.

The "Agreement to Purchase Tax-Defaulted Property" (Chapter 8 Agreement) must first be approved by the Board of Supervisors. The agreement is then submitted to the State Controller's Office for review and approval of the sale, and parties of interest must be properly notified. The lead times required for these steps mandate that your Board approve the agreement well in advance of the May 10, 2016 sale date.

Once the agreement is approved and signed by the State Controller, notices of sale are sent by certified mail to the owners of record and any party of interest, as required by law.

Individual properties can be redeemed until 5:00 p.m. on May 9, 2016, which is the last business day prior to the sale.

OTHER AGENCY INVOLVEMENT

The sale agreement, together with this transmittal memorandum, has been approved as to form and legal effect by County Counsel. After the Chapter 8 Agreement is approved and signed by the Board of Supervisors, the agreement will be forwarded to the State Controller's Office for final review and approval.

FINANCIAL CONSIDERATIONS

The proceeds from the sale of the subject parcels will be available to reimburse the costs of the sale and the loss of prior taxes to the extent possible based on the sale price. The total purchase price for the properties offered in the sale agreement is \$15,600.

A budget adjustment to Central Services Fund Center 11607, Real Property Division, from General Fund contingencies, in the amount of \$15,600 would allow for the purchase of five (5) lots in Cayucos and one (1) parcel located in rural South County.

The County of San Luis Obispo is a "Teeter" County and proceeds of the sale will stay in the County. Hence, this transaction is revenue neutral with the exception of \$1.50 per parcel to the State of California (a total of \$9.00) which is part of the sale process and is included in the \$15,600.

RESULTS

This Board action will authorize and approve the sale of five year tax-defaulted property, which is required by statute.

Approval of the requested \$15,600 budget adjustment will allow the Central Services Department to proceed with the purchase of five (5) parcels of tax-defaulted land located in the paper subdivisions above Cayucos, and one (1) parcel of tax-defaulted land located in rural South County. The property will be held in the public trust.

Further, approval of this Agreement will further the County's goals of a "Livable and Prosperous Community" by ensuring that the properties are re-purposed for public use and that the delinquent taxes are paid.

ATTACHMENTS

1. Agreement to Purchase Tax-Defaulted Property Sale #237