



CITY COUNCIL AGENDA REPORT



DEPARTMENT Community Development

MEETING DATE August 3 2010

PREPARED BY Alice Griselle Director of Community Development

AGENDA LOCATION CC-7

TITLE Procurement of Tax Defaulted Property Located at 148 East Los Angeles Avenue from the County of Los Angeles Treasurer and Tax Collector Assessor s Parcel Number 8508-013-046 Resolution No 2010-42

OBJECTIVE To approve the acquisition of a lot with a single family home that is currently tax defaulted located at 148 East Los Angeles Avenue

BACKGROUND Each year the County of Los Angeles Treasurer and Tax Collector holds a public auction for the purpose of selling tax defaulted property The current auction list includes a tax delinquent property located in Monrovia Staff has identified the 9 357 square foot lot at the southwest corner of Los Angeles and Ivy Avenues The lot has a 1 886 square foot house with three bedrooms and two baths (built in 1950) There is also a two car garage

Before a property is sold at public auction public entities and nonprofits are given the first opportunity to purchase the property that can then be used for public purposes such as low income housing parks widening of streets etc Division 1 Part 6 Chapter 8 of the Revenue and Taxation Code permits the City to acquire title to such property The acquisition cost is the minimum bid which is equal to the amount of the unpaid taxes owed on the property

According to Los Angeles County Treasurer and Tax Collector the owners of record are delinquent on their property taxes The minimum bid or the amount of the unpaid taxes is \$19 923 In addition there is a preliminary research fee of \$100 required with our written request to purchase the property and a notification fee of \$300 that is added to the final purchase price when the agreement becomes final The proposed acquisition requires the City to enter a Chapter 8 Agreement with the County of Los Angeles The total amount of time to complete a Chapter 8 acquisition is between eight months and one year

It should be noted that the owners of property still have a chance to pay the taxes in full or to stop the sale by a legal process that requires the removal of the parcel from the sale (i.e. bankruptcy) before the public sale on October 18 19 and 20 2010

ANALYSIS Every year City staff reviews the annual tax defaulted property sale book for properties in Monrovia To date the City has acquired five properties that we added to the Hillside Wilderness Preserve These acquisitions include the Gold Hills open space acreage in 1990 the 239 acres in Spanish Canyon in 1995 the Lux Arboretum property in 1997 the 40 acre Dunbar property in 2001 and a 16 550 square foot lot adjacent to the Preserve in 2008

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The chance to acquire the subject property is a rare opportunity to provide housing for a low income family. The acquisition for a total of \$20,323 is a good deal when looking at comparable sales prices in the neighborhood. In Spring 2010 home sales in this neighborhood ranged from \$265,000 to \$350,000. Staff is recommending to rent the property to a low income family. In the future, the City Council can discuss other community purposes for the property if they so desire.

ENVIRONMENTAL IMPACT The acquisition of the property requires no CEQA review and does not affect the Monrovia Environmental Accords.

FISCAL IMPACT The total cost to purchase the subject property is \$19,923 with \$400 in transaction fees. In order to clean up the property for the new tenant, approximately \$2,000 will be needed. The Administrative Citation account will be used to cover these costs.

OPTIONS The City Council's options are the following:

1. Approve Resolution No. 2010-42 authorizing the purchase of the tax defaulted property and add to the low income rental stock in the City.
2. Decline to authorize the purchase of the tax defaulted property.

RECOMMENDATION Staff recommends that the City Council authorize the purchase of the tax defaulted property for use as a rental to a low income family.

COUNCIL ACTION REQUIRED If the City Council concurs, the appropriate action is a motion to adopt Resolution No. 2010-42.

RESOLUTION NO 2010-42

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONROVIA, CALIFORNIA, TO EXECUTE A CHAPTER 8 AGREEMENT WITH THE COUNTY OF LOS ANGELES TREASURER AND TAX COLLECTOR TO ACQUIRE ASSESSOR PARCEL NUMBER 8508-013-046, ADDRESSED AS 148 EAST LOS ANGELES AVENUE

THE CITY COUNCIL OF THE CITY OF MONROVIA DOES hereby resolve as follows

WHEREAS, The City of Monrovia (the City) is engaged in activities to promote the availability of low income housing and

WHEREAS, the City has been notified by the County of Los Angeles that a 9 357 square foot lot with a 1 886 square foot house (the Property) was deemed Subject to Power to Sell for default of property taxes and is scheduled to be sold at public auction on October 18 19 and 20 2010 and

WHEREAS, Division 1 Part 6 Chapter 8 of the Revenue and Taxation Code permits the City to acquire such Property prior to a public auction for the amount equal to the defaulted property taxes and

WHEREAS, on August 3 2010 the City Council considered acquiring the Property pursuant to a Chapter 8 Agreement with the County of Los Angeles and reviewed and evaluated the proposed acquisition in relation to the objectives the staff prepared on this matter and all of the information and evidence presented at the meeting and

WHEREAS, the City Council has determined that the acquisition of the Property is in the best interest of the City of Monrovia promoting the availability of low income housing and may in the future consider other community related purposes

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Monrovia that

SECTION 1 The City Council finds and determines based upon substantial evidence provided in the record before it that the acquisition of the Property is in line with objectives to promote the availability of low income housing

SECTION 2 Pursuant to provisions of the Revenue and Taxation Code the City shall enter a Chapter 8 Agreement with the County of Los Angeles in order to complete the acquisition of the property for the public purpose of low income housing

PASSED, APPROVED AND ADOPTED this 3rd day of August 2010 by the following vote

**AYES
NOES
ABSTAIN
EXCUSED**

BY

Mary Ann Lutz Mayor
City of Monrovia

ATTEST

APPROVED AS TO FORM

Alice D Atkins CMC City Clerk
City of Monrovia

Craig A Steele City Attorney
City of Monrovia

**STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) §
CITY OF MONROVIA)**

I ALICE D ATKINS CMC City Clerk of the City of Monrovia California do hereby certify that the foregoing Resolution No 2010-42 relating to the acquisition of APN 8508-013-046 was duly adopted and passed at a regular meeting of the City Council on the 3rd day of August 2010 by the following vote

**AYES
NOES
ABSTAIN
EXCUSED**

ATTEST

Alice D Atkins CMC City Clerk
City of Monrovia