

# DESERT AND MOUNTAIN CONSERVATION AUTHORITY

## MEMORANDUM

**TO:** The Governing Board

**FROM:** Joseph T. Edmiston, FAICP, Executive Officer

**DATE:** November 15, 2006

**SUBJECT: Agenda Item VII: Discussion and possible action regarding entering into Chapter 8 Agreements associated with the 2007 A Tax Defaulted public auction with the Los Angeles County Treasurer and Tax Collector.**

Staff Recommendation: That Governing Board adopt the attached resolution authorizing staff to send a letter to the Los Angeles County Treasurer and Tax Collector requesting the removal of specific parcels from the 2007 A Tax Defaulted public auction for park and open space purposes pursuant to Division 1, Part 6, Chapter 8 of the Revenue and Taxation Code.

Background: As a local public agency, the Desert and Mountain Conservation Authority (DMCA) has the right to remove tax defaulted parcels from specific public auctions and to acquire those properties pursuant to Division 1, Part 6, Chapter 8 of the Revenue and Taxation Code. The actual agreements between the DMCA and the Los Angeles County Treasurer and Tax Collector are referred to as Chapter 8 Agreements. Parcels can only be used for park and open space purposes. This process is an inexpensive way to acquire parcels for parkland.

The base price of the parcels is dictated by the amount of back taxes and penalties owed. However, until the properties are paid for by the DMCA, the price of the parcels increases by 1.5 percent a month. In addition to the parcel costs, the fees to complete a Chapter 8 sale include the County's cost of publication, cost of postage, and lot book lien report. In addition the Board of Supervisors just approved an additional \$300 per parcel administrative cost. Generally the process takes from eight to twelve months to complete from the time the DMCA would submit a letter.

The 2007 A Tax Defaulted public auction is scheduled for February 2007. The book of available parcels should be available in late December 2006. To reserve specific parcels, the DMCA must write a letter sometime in early January if not sooner. It

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is not anticipated that the Governing Board will meet prior to that letter deadline. Although, the DMCA currently has no acquisition funding, staff is confident that sources can be secured by deadlines necessary to pay for any agreements. In addition the Governing Board would have to authorize entering into each agreement with specific parcels at a subsequent meeting once the County has created Chapter 8 Agreements.

The Governing Board may want to set some parameters for the cost of parcels removed from the auction. Staff is experienced in determining what the realm of possible funding sources is at a given time and will use that experience in January when a letter is written. Reserved parcels can be dropped early in the Chapter 8 process at no cost, but staff recommends avoiding such actions in deference to the staff of the Treasurer and Tax Collector.