



Board Agenda Item 33

DATE: February 7, 2017

TO: Board of Supervisors

SUBMITTED BY: Steven E. White, Director
Department of Public Works and Planning

SUBJECT: Declare Real Property Surplus and Set Date to Sell County Owned Excess Property

RECOMMENDED ACTION:

Adopt Resolution declaring surplus County owned excess property located at 28134 Thermal Road, Sanger (Tivy Valley), CA 93657 (APN 158-203-40) and authorize Clerk to the Board to publish notice of intention to sell County owned excess property for a minimum bid of \$35,000 by public auction at 9:00 a.m. on March 28, 2017. (4/5 Vote)

ALTERNATIVE ACTION:

Not adopt the Resolution declaring surplus County owned excess property, which will result in the County maintaining ownership without resources to maintain the property.

FISCAL IMPACT:

The proceeds of the sale will be returned to the County's Community Development Block Grant (CDBG) program in accordance with the Federal CDBG grant regulations. The funds will be deposited into the CDBG grant fund, whereby they must be reused for ongoing eligible grant activities. At the time legal action was initiated, the lien for defaulted taxes on the property was \$5,046.43, which represented delinquent property taxes from 2009 to 2014. The delinquent taxes reverted to unsecured debt at the previous trustee sale. The new property owner will be responsible for all future property taxes.

DISCUSSION:

The residence is located at 28134 Thermal Road, Sanger, CA 93657, in the unincorporated community of Tivy Valley. The property is a three bedroom, two bathroom, 1,248 square foot single-family manufactured home, built in 1999. The County acquired the residence through foreclosure under the Housing Assistance Rehabilitation Program (HARP).

HARP is the County's Board-established program which provides federally funded loans to eligible homeowners to rehabilitate their home and bring it up to standard code. The loan is secured by a promissory note and deed of trust lien on the property. The balance of the loan amount owed is due when the terms of the loan are in default. In this case, the previous property owner stopped paying property taxes for over five years and upon notice the Borrower was not able to pay delinquent taxes or successfully maintain a tax payment plan. Thus, the property was foreclosed on by the County through a Trustee's Sale on January 21, 2016, with an outstanding loan of \$78,406 owed on the HARP loan. No bids were received at the Trustee sale.

The Facilities Planning Committee is required to review and approve all property sales prior to declaring surplus and setting a date to sale. However, the County Administrative Office waived the review and approval

requirement for HARP foreclosure sales on March 4, 2011.

The County now can sell the property to recoup as much of the loan balance owed as possible. The property must be auctioned as prescribed in the Government Code unless another agency notifies the County within sixty (60) days that they desire to negotiate a purchase of the property for an eligible low-income housing activity. In accordance with the California Government Code, letters were sent on December 15, 2016, to the Fresno County Housing Authority and the California Department of Housing and Community Development as other public agencies involved with eligible low-income housing activities. At the time of this writing, staff has not received an expressed interest in utilizing this property.

On October 5, 2016, the residence was appraised for \$89,000. In the review of this appraisal, there were no comparable sales within the neighborhood of the subject property, and some of the specific issues reducing the value of this property were not noted. Historically, in order to attract prospective bidders, it has been necessary to start the bidding at the lowest end of the value range. Due to the poor condition of the dwelling, staff recommends that the minimum bid be set at \$35,000.00 which reflects the appraised land value, and will attract bidders.

The proposed procedure for the sale of this property is as follows:

1. The minimum bid for the property is \$35,000.
2. All written bids shall be delivered to the Clerk to the Board of Supervisors by 9:00 a.m. the day of the auction in a sealed envelope labeled "Bid for 28134 Thermal Road, Sanger (Tivy Valley)" accompanied by a certified or cashier's check in the sum of \$3,500 payable to the County of Fresno.
3. The Board, upon the opening of written bids, will ask for oral bids. All oral bidders who have not made a deposit must present a certified or cashier's check in the sum of \$3,500 payable to the County of Fresno upon making an oral bid. The starting oral bid must be at 5% over the highest written bid accepted.
4. All unsuccessful bidders will have their checks returned to them by the Clerk to the Board upon completion of bidding. The \$3,500 deposit by the successful bidder is non-refundable.
5. The Board reserves the right to reject any and all bids if it deems it is in the best interest of the public. All proceedings for the sale of this property will be in accordance with the provisions of the California Government Code.
6. The successful bidder shall pay to the County the entire remaining balance of the purchase amount within fifteen (15) days after acceptance of the highest bid. Upon receiving the full purchase amount, the County will deliver to the purchaser a Grant Deed free and clear of encumbrances, except as apparent or of record, in "as is" condition.
7. In the event the first bidder cannot meet the requirements and deadlines of the sale, the Board may later award the bid to the runner-up bidder under the same terms as stated herein. Under such an event, the first bidder forfeits the \$3,500 deposit.

ATTACHMENTS INCLUDED AND/OR ON FILE:

Map
On file with Clerk - Resolution

CAO ANALYST:

John Hays