



Board Agenda Item 9

DATE: March 28, 2017

TO: Board of Supervisors

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

SUBJECT: Sale of County Owned Surplus Property at 28134 Thermal Road, Sanger (Tivy Valley),
CA 93657

RECOMMENDED ACTIONS:

- 1. Acknowledge receipt and consider all sealed bids and call for oral bids for the sale of the property located at 28134 Thermal, Sanger (Tivy Valley), CA 93657 (APN 158-203-40).**
- 2. Adopt the Resolution approving the sale of County owned surplus property and authorize the Chairman to execute a grant deed and other related documents to the successful bidder, if any.**

Approval of the recommended actions will sell to the highest bidder the County owned property located at 28134 Thermal Road, Sanger (Tivy Valley), CA 93657 (APN 158-203-40) and add the property to the tax rolls (see attached Exhibit A Location Map).

ALTERNATIVE ACTION:

Not adopting the Resolution approving the sale of County owned surplus property will result in the County retaining 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. These regulations require that the proceeds from the sale of HARP loan improved properties will be used for ongoing eligible grant activities. Therefore, the proceeds from this sale will be deposited to the CDBG Org 7205, General Fund 0001.

DISCUSSION:

On February 7, 2017, the Board approved the Resolution declaring surplus and authorizing the Clerk to the Board to publish Notice of Intention to Sell County Owned surplus property and set today's date, March 28, 2017, at 9:00 A.M. for the public sale.

The residence is located at 28134 Thermal Road, Sanger (Tivy Valley), CA 93657. The property is a three (3) bedroom, two (2) bathroom, 1,248 square foot single-family manufactured home, on approximately five (5) acres, built in 1999. The County acquired the residence through foreclosure under the Housing Assistance Rehabilitation Program (HARP). The property reverted to County ownership via Trustee Sale on January 21, 2016, as there were no bidders to satisfy the outstanding HARP loan debt of \$78,406. The County can now dispose of the property for as much as possible in lieu of loan repayment.

The property must be auctioned as prescribed in the Government Code unless another agency notifies the County in sixty days that they desire to negotiate a purchase for an eligible low-income housing activity. The Facilities Planning Committee is required to review and approve all property sales prior to declaring property surplus and setting a date for sale. However, the County Administrative Office waived the review and approval requirement for HARP foreclosure sales on March 4, 2011.

The residence was appraised for \$89,000 on October 5, 2016. In review of this appraisal, noting the poor condition of the dwelling and lack of comparable sales in the subject property neighborhood, this property will be at lower end of the value range. Historically, in order to attract prospective bidders it has been necessary to start the bidding at the lowest end of the value range for the appraised land value. Therefore, staff recommended and the Board approved setting the minimum bid at \$35,000 to attract bidders.

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 operating in the jurisdiction of this property. At the time of this writing, staff has not received an expressed interest in utilizing the property.

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), CA 93657" 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 least 5 percent 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 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.

If a successful bidder is awarded, a final Grant Deed and Resolution will be prepared for appropriate signatures.

REFERENCE MATERIAL:

BAI #33, February 7, 2017

ATTACHMENTS INCLUDED AND/OR ON FILE:

Exhibit A Location Map

On file with Clerk - Draft Resolution

On file with Clerk - Draft Deed

CAO ANALYST:

John Hays