



Board Agenda Item 53

DATE: August 7, 2018

TO: Board of Supervisors

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

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

RECOMMENDED ACTION(S):

Adopt Resolution declaring surplus County owned excess property, a single-family residence, located at 4585 E. Harvard Avenue, Fresno, CA 93703 (APN 447-124-07), and authorize the Clerk of the Board to publish a notice of intention to sell County owned excess property for a minimum bid of \$80,000 by public auction on September 11, 2018 at 9:00 a.m. (4/5 vote).

Approval of the recommended action will allow county-owned real property surplus to be sold via public auction. The County foreclosed on the property through a Trustee sale on April 11, 2018. Single-family residences in the area of the County-owned property are valued between \$81,000 and \$213,000. The residence consists of a 1,121 square foot single-family residence on a 16,200 square foot lot. This item pertains to a location in District 3.

ALTERNATIVE ACTION(S):

Your Board may choose not to adopt the recommended resolution declaring county-owned real property surplus, which will result in the County maintaining ownership without the resources to maintain the property.

FISCAL IMPACT:

There is no Net County Cost associated with the recommended action. The proceeds of the sale will be returned to the County's Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) programs in accordance with the Federal grant regulations. The funds will be deposited into the Department of Public Works and Planning - CDBG grant fund Org 7205 and HOME trust fund Org 1202, whereby the funds must be reused for ongoing eligible grant activities.

DISCUSSION:

The residence is located at 4585 E. Harvard, Fresno, CA 93703, in the unincorporated area of the Mayfair District. The property is a 2-bedroom, 2-bath 1,121 square foot single-family residence, reconstructed in 2009. The County acquired the residence through foreclosure under the Housing Assistance Rehabilitation Program (HARP). The HARP program provides loans to income-qualifying households for moderate to substantial home reconstruction or rehabilitation projects.

The former owner died in 2017, and the property is vacant. The County foreclosed on the property through a

Trustee sale on April 11, 2018, with a \$196,078.30 balance on the HARP loan. No bids were received at the Trustee sale. At the time legal action was initiated, the balance on the payment plan for defaulted taxes on the property was \$1,299.99, which represented the unpaid balance of delinquent property taxes from 2010 to 2012. The delinquent taxes reverted to unsecured debt at the Trustee sale. The new property owner will be responsible for all future property taxes.

The property must be auctioned in accordance with the California Government Code, sections 25520 through 25539.10, Public Agencies are given the first right of refusal to purchase the property. Department staff sent notification letters to the Fresno County Housing Authority and the California Department of Housing and Community Development on June 6, 2018, neither agency has expressed interest.

In accordance with California Government Code, section 25526, before ordering the sale of any property, the Board of Supervisors must adopt a Resolution of Intention to sell the property in a regular open meeting by a two-thirds vote of all its members. In practical terms, this means that a 4/5 vote is required. The resolution must describe the property to be sold, the terms of the sale, and the scheduled time of the sale, not less than three weeks thereafter in a public meeting of the Board of Supervisors, held at its regular place of meeting. The public auction has been scheduled on September 11, 2018.

The residence appraised for \$150,000 on May 2, 2018. Department staff's review of the appraisal indicated the comparable sales within the neighborhood of the subject property in the last twelve months ranged from \$81,000 to \$213,000. Historically, it has proven effective to start the bidding at the lowest end of the value range in order to attract prospective bidders. Due to the poor condition of the dwelling resulting from deferred maintenance, staff recommends the minimum bid be set at \$80,000.

The proposed procedure for the sale of this property, as required by California Government Code, sections 25520 through 25539.10, is as follows:

1. The minimum bid for the property is \$80,000.
2. All written bids must be delivered to the Clerk of the Board of Supervisors by 9:00 a.m. on the day of the auction, September 11, 2018, in a sealed envelope labeled "Bid for 4585 E. Harvard Avenue, Fresno," accompanied by a certified or cashier's check in the sum of \$8,000 payable to the County of Fresno.
3. Your 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 \$8,000 payable to the County of Fresno upon making an oral bid. The starting oral bid must be at least 5% over the highest written bid accepted.
4. All unsuccessful bidders will have their certified or cashier's checks returned to them upon completion of bidding. The \$8,000 deposit by the successful bidder is non-refundable.
5. Your Board reserves the right to reject any and all bids if it deems it is in the best interest of the public.
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 successful bidder a Grant Deed free and clear of encumbrances, except as apparent or of record, in "as is" condition.
7. In the event the successful bidder cannot meet the requirements and deadlines of the sale, your Board may award the bid to the runner-up bidder under the same terms as stated herein. Under such an event, the first bidder forfeits the \$8,000 deposit.

With your Board's approval, the county-owned residence located at 4585 E. Harvard, Fresno, CA 93703 (APN 447-124-07), in the unincorporated area of the Mayfair District, will be sold at public auction on September 11, 2018.

ATTACHMENTS INCLUDED AND/OR ON FILE:

Location Map
On file with Clerk - Resolution

CAO ANALYST:

Sonia M. De La Rosa