



COUNTY OF SAN DIEGO

AGENDA ITEM

BOARD OF SUPERVISORS

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First District

JOEL ANDERSON
Second District

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Third District

MONICA MONTGOMERY STEPPE
Fourth District

JIM DESMOND
Fifth District

DATE: October 22, 2024

16

TO: Board of Supervisors

SUBJECT

**CHAPTER VIII AGREEMENT NO. 7094 TO PURCHASE TAX-DEFAULTED LAND
BY COUNTY OF SAN DIEGO, DEPARTMENT OF PARKS AND RECREATION
(DISTRICT: 1)**

OVERVIEW

When a property owner fails to pay property taxes by the end of the fiscal year, the property becomes tax defaulted. If the property remains tax defaulted for five years, the property then becomes subject to the Treasurer-Tax Collector's Power to Sell. Statutory requirements are met pursuant to Revenue and Taxation Code § 3691, et seq. prior to the property being offered at sale. Prior to sale, taxing agencies and eligible non-profit organizations are notified of the scheduled sale and provided an opportunity to object to the sale of any of the properties being offered at public auction in order to acquire that property for public purpose, in accordance with § 3695 and Chapter VIII of the California Revenue and Taxation Code.

The County of San Diego, Department of Parks and Recreation (DPR) has offered to purchase three (3) parcels of tax-defaulted land to be used for the purpose of open space preserve. The three parcels are adjacent to and will be integrated into the County's existing Dictionary Hill County Preserve, which DPR manages to protect onsite natural resources and provide passive recreational (trail) opportunities to the community. In accordance with Chapter VIII of the California Revenue and Taxation Code, we have prepared the proposed agreement for your approval.

RECOMMENDATION(S)

TREASURER-TAX COLLECTOR

1. Adopt the Resolution entitled:
A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO CONCERNING THE PROPOSED CHAPTER VIII AGREEMENT SALE NO. 7094 OF TAX-DEFAULTED PROPERTY TO COUNTY OF SAN DIEGO, DEPARTMENT OF PARKS AND RECREATION.
2. Adopt the Agreement approving the sale by Chapter VIII Agreement No. 7094 of three (3) parcels of land, subject to the Treasurer-Tax Collector's Power to Sell for Defaulted Taxes to the County of San Diego, Department of Parks and Recreation and authorize execution

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of said Agreements (two copies) by the Chairperson, attested by the Clerk of the Board of Supervisors.

EQUITY IMPACT STATEMENT

The Treasurer-Tax Collector recognizes the systemic impacts that inequitable policies may create for residents of the County of San Diego. Impacts have historically included outcomes related to racial justice and issues of belonging that are reflected in the programs, services and resources allocated to communities. To more proportionally serve the community, the County of San Diego, Department of Parks and Recreation has agreed to purchase the tax-defaulted property as part of an ongoing effort to acquire land for the purpose of conserving open space. It is anticipated that these actions will have a positive impact on all equity-seeking groups to include Black, Indigenous, People of Color (BIPOC), women, people with disabilities, immigrants, youth and the LGBTQ community as the mission of the County of San Diego, Department of Parks and Recreation is to enhance the quality of life in San Diego County by providing exceptional parks and recreation experiences and preserving significant natural resources.

SUSTAINABILITY IMPACT STATEMENT

This acquisition would have a positive impact on sustainability. This is part of an ongoing effort of the County of San Diego, Parks and Recreation to acquire land for the purpose of conserving open space.

FISCAL IMPACT

If approved, proceeds of \$18,500 from the sale of three (3) parcels to the County of San Diego, Department of Parks and Recreation will be used to redeem the delinquent prior year and current year taxes, costs and fees. Any funds remaining after satisfaction of all taxes, fees and costs of sale will be retained in the delinquent tax sale trust fund for a period of one year following the recordation of the tax deed to the purchaser of the property. During that period, any party of interest in the property at the time of the sale may apply for the proceeds by submitting a claim. Any excess proceeds remaining after processing valid claims will be transferred to the General Fund.

Funds of \$18,500 for the purchase of the tax-defaulted property are included in the Fiscal Year 2024-25 Operational Plan in the Department of Parks and Recreation. The funding source is available prior year General Fund fund balance budgeted for the Multiple Species Conservation Program. There will be no change in net General Fund cost and no additional staff years.

BUSINESS IMPACT STATEMENT

N/A

ADVISORY BOARD STATEMENT

N/A

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BACKGROUND

Pursuant to the California Revenue and Taxation Code, Division 1, Part 6, Chapter 8, public and non-profit agencies are eligible to purchase tax-defaulted properties which are subject to public auction. County of San Diego, Department of Parks and Recreation will, upon Board approval, execute the attached Chapter VIII Agreement No. 7094 to purchase three (3) parcels of land which is more than five years tax-defaulted and has become subject to the Treasurer-Tax Collector's Power to Sell for Defaulted Taxes.

This agreement includes three (3) parcels 579-021-04-00, 579-034-25-00 and 579-035-16-00. This acquisition is part of an effort of the County of San Diego, Department of Parks and Recreation to acquire land for the purpose of preserving open space as part of the Multiple Species Conservation Program (MSCP). The three parcels are adjacent to and will be integrated into the County's existing Dictionary Hill County Preserve (Preserve), which is part of the County's overall MSCP preserve system. DPR manages the Preserve to protect onsite natural resources and provide passive recreational (trail) opportunities to the community.

These parcels are fully described in Exhibit "A". The sale price includes, at a minimum, the amount to pay taxes and assessments including penalties and fees plus all costs of the sale per § 3793.1 of the California Revenue and Taxation Code.

Existing state law provides power for the Treasurer-Tax Collector to sell properties that are tax-defaulted for five or more years, or, in the case of a nuisance abatement, three or more years pursuant to Revenue and Taxation Code § 3691. For property damaged or destroyed by calamity and /or by a state, county, or federally declared disaster such as the Lilac Fire of December 2017, state law provides that the property not be offered at sale until five years from the date of the state, county or federally declared disaster. The Treasurer-Tax Collector makes a review of the parcels subject to and scheduled for sale to identify and remove properties affected by such declared disasters from the list of parcels to be offered at sale.

Prior to sale, the Treasurer-Tax Collector's office thoroughly researches tax-defaulted property to identify parties of interest. Rigorous efforts are made to contact the owners and other parties of interest to provide them notice of sale, the effect of the sale on their interest in the property, and their right of redemption. All contact with parties of interest is purposed on facilitating the redemption (payment in full) of defaulted taxes.

Owners of record are sent notices each year starting with the first year of default. These notices consist of a defaulted tax bill in July and the regular tax bill in October, which contains the statement, "IN DEFAULT ON JUN 30 YYYY, PRIOR YRS TAXES DELINQUENT." Defaulted tax statements for parcels, which are delinquent for five years or more, are mailed together with a notice advising the taxpayer of the tax sale status and fees that have or will attach to the parcel prior to mailing. All owners mailing addresses are researched prior to mailings for a more current address. Notices of the Treasurer-Tax Collector's Power to Sell for Defaulted Taxes are recorded, in accordance with § 3691.1, § 3691.2 and § 3691.4 of the Revenue and Taxation Code, and legal

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advertisement of the property's Tax-Default and Impending Power of the Treasurer-Tax Collector's Power to Sell is made for each of the properties itemized on the attached Exhibit. Prior to sale, taxing agencies are notified of the scheduled sale and provided an opportunity to object to the sale of individual property scheduled for public auction and acquire that property for public purpose, in accordance with § 3695 of the Revenue and Taxation Code. Additionally, prior to any tax sale, notice of the impending sale is mailed out to all known parties of interest, individually, and is also published in local newspapers. It is only after all such means have been exhausted by the Treasurer-Tax Collector staff that property is scheduled for auction.

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

Today's proposed action to approve the sale of tax-defaulted property supports the Sustainability of Economy, Climate and Environment, Health Equity, and Community Quality of Life, initiatives in the County of San Diego's Strategic Plan by collecting validly assessed tax revenue which is turned over to the General Fund and made available to fund County programs; and for the preservation of the natural environment providing parks, recreation and quality of life for people in the community.

Respectfully submitted,



DAN MCALLISTER
Treasurer-Tax Collector

ATTACHMENT(S)

Attachment A- A Resolution of the Board of Supervisors of the County of San Diego Concerning the Proposed Chapter VIII Agreement Sale No. 7094 of Tax-Defaulted Property to County of San Diego, Department of Parks and Recreation

Attachment B- Agreement for Sale and Purchase of Tax-Defaulted Real Property and Covenants, Conditions and Restrictions Agreement No. 7094 – County of San Diego, Department of Parks and Recreation

Attachment C- Exhibit "A" for Chapter VIII Agreement No. 7094, County of San Diego, Department of Parks and Recreation