



# CITY COUNCIL AS HOUSING SUCCESSOR AGENCY STAFF REPORT

DATE: April 15, 2015

CONSENT CALENDAR

SUBJECT: APPROVAL OF A CHAPTER 8 OFFER TO PURCHASE WITH THE COUNTY OF RIVERSIDE FOR THE ACQUISITION OF A 14-UNIT MULTI-FAMILY HOUSING PROPERTY FOR THE PURPOSE OF FACILITATING THE DEVELOPMENT OF AFFORDABLE HOUSING, AND AUTHORIZATION TO ENTER AN AGREEMENT OF SALE FOR A PROPERTY LOCATED AT 2395 NORTH INDIAN CANYON DRIVE, PALM SPRINGS 92262

FROM: David H. Ready, City Manager

BY: Community & Economic Development Department

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## SUMMARY

That the Agency approve an offer to purchase from the County of Riverside the property located at 2395 North Indian Canyon Drive (APN 504-260-019-5) at the purchase price of \$175,157.67, and authorize the Executive Director to execute documents necessary to close the transaction.

## RECOMMENDATION:

1. Approve Resolution No. \_\_\_\_\_ "A RESOLUTION OF THE CITY OF PALM SPRINGS, ACTING IN ITS CAPACITY AS HOUSING SUCCESSOR AGENCY, FORMALLY REQUESTING A CHAPTER 8 AGREEMENT OF SALE WITH THE COUNTY OF RIVERSIDE FOR VACANT PROPERTY LOCATED AT 2395 N. INDIAN CANYON DRIVE FOR THE PURPOSE OF DEVELOPING AFFORDABLE HOUSING AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE DOCUMENTS RELATED TO SAME."

## STAFF ANALYSIS:

The former Community Redevelopment Agency of the City of Palm Springs ("Agency") was responsible for the development of Low- and Moderate-Income Housing in the City.

However, AB X1 26 and AB X1 27 were signed by the Governor of California on June 28, 2011, making certain changes to the Redevelopment Law, including adding Part 1.8 (commencing with Section 34161) and Part 1.85 (commencing with Section 34170) to

ITEM NO. 26

Division 24 of the California Health and Safety Code, which dissolved the Redevelopment Agency ("Dissolution Act"). Under the Dissolution Act, the term Housing Successor Agency was the entity that would continue to administer the housing activities of the former Redevelopment Agency.

On January 4, 2012, the City Council approved a resolution authorizing the City to become the Successor Agency and the Housing Successor Agency. The City Council elected to retain the responsibility for performing housing functions previously performed by the Palm Springs Community Redevelopment Agency and assume all rights, powers, assets, liabilities, duties, and obligations associated with the housing activities of in accordance with Cal. Health and Safety Code §34176.

In early 2015, the City was informed that a property located at 2395 N. Indian Canyon Drive, further identified as Assessor's Parcel Number 504-260-019-5 (the "Property"), was included in a Sale of Tax-Defaulted Property Public Auction by the County of Riverside on April 30, 2015. The City wishes to purchase the property at 2395 N. Indian Canyon Drive in Palm Springs for development as affordable housing, consistent with the City's Consolidated Plan and Annual Action Plan submitted to the U.S. Department of Housing and Urban Development, as follows:

Goal 2: Retain and increase the stock of affordable housing through rehabilitation and new construction; and

Homeless Goal 1: Support or provide funding for programs that offer services and/or supportive housing to assist homeless individuals and/or families.

California Law describes a process for taxing agencies, such as the City, to acquire tax defaulted properties through direct purchase (Chapter 8) rather than through auction (Chapter 7). Section 3698.5 (a), Section 3698.5 (c), Section 3793.6 and Section 3799 of the Revenue and Taxation Code, State of California set forth the procedures under which the County may sell tax-defaulted property.

The City of Palm Springs objected to the public sale of parcel 504-260-019-5 on March 17, 2015. Riverside County has established the Chapter 8 direct sale price for the Property at 233 W. Tramview as \$175,157.67 including all nuisance abatement liens. The price was determined in keeping with Section 3698.5 (a) (or section c or both) of the Revenue and Taxation Code.

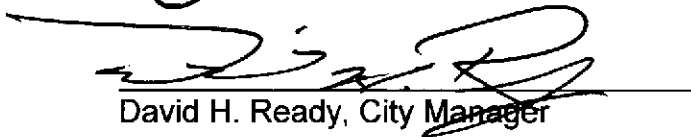
In addition, the City has also certified that the existing structure is substandard, as defined in Health and Safety Code Section 17920(b), as the Building and Safety Department has requested that only complete demolition or total renovation be permitted, as the current vacant condition of the property does not warrant a partial renovation.

FISCAL IMPACT:

The purchase is to be funded from the City's Housing Successor Agency accounts.

  
\_\_\_\_\_  
John Raymond, Director

  
\_\_\_\_\_  
Dale Cook  
Community Development Administrator

  
\_\_\_\_\_  
David H. Ready, City Manager

ATTACHMENTS:

1. Resolution Approving Chapter 8 Agreement of Sale
2. March 26, 2015 Letter from Riverside County

RESOLUTION NO.

OF THE CITY OF PALM SPRINGS, ACTING IN ITS CAPACITY AS HOUSING SUCCESSOR AGENCY, FORMALLY REQUESTING A CHAPTER 8 AGREEMENT OF SALE WITH THE COUNTY OF RIVERSIDE FOR VACANT PROPERTY LOCATED AT 2395 N. INDIAN CANYON DRIVE FOR THE PURPOSE OF DEVELOPING AFFORDABLE HOUSING AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE DOCUMENTS RELATED TO SAME

WHEREAS, the City of Palm Springs, acting in its capacity as the Housing Successor Agency to the former Community Redevelopment Agency ("City") was informed that the property located at 2395 N. Indian Canyon Drive, further identified as Assessor's Parcel Number 504-260-019-5 (the "Property"), was included in a Sale of Tax-Defaulted Property Public Auction by the County of Riverside on April 30, 2015; and

WHEREAS, the City wishes to purchase the property at 2395 N. Indian Canyon Drive in Palm Springs for development as affordable housing, consistent with the City's Consolidated Plan and Annual Action Plan submitted to the U.S. Department of Housing and Urban Development; and

WHEREAS, Section 3698.5 (a), Section 3698.5 (c), Section 3793.6 and Section 3799 of the Revenue and Taxation Code, State of California set forth the procedures under which the County may sell tax-defaulted property; and

WHEREAS, Riverside County has established the Chapter 8 direct sale price for the Property at 233 W. Tramview as \$175,157.67 including all nuisance abatement liens plus \$175.00 in County administrative costs, the price determined in keeping with Section 3698.5 (a) (or section c or both) of the Revenue and Taxation Code; and

WHEREAS, funds for the purchase of the Property are available in the City's Housing Successor Agency accounts.

NOW, THEREFORE, BE IT RESOLVED by the City of Palm Springs, acting in its capacity as the Housing Successor Agency to the former Community Redevelopment Agency, as follows:

SECTION 1. The City of Palm Springs objects to the public sale of parcel 504-260-019-5.

SECTION 2. The City approves an offer to purchase from the County of Riverside the property located at 2395 N. Indian Canyon Drive, more particularly described in Exhibit "A", at the sales price of \$175,157.67 allowed under Section 3698.5 (a) (or section c or both) of the Revenue and Taxation Code, State of California. The public purpose for the purchase is to redevelop the Property to provide housing for low- or moderate-income residents. Furthermore, the costs of giving notice in a form of a legal notice published in The Desert Sun Newspaper, in compliance with Sections 3793.6 (a) and 3800 of the California Revenue and Taxation Code, shall be paid by the City.

SECTION 3. Pursuant to Section 3799 of the California Revenue and Taxation Code, the tax collector shall make reasonable efforts to ascertain the identity and address of

parties of interest and mail a copy of the notice not less than 45 nor more than 60 days prior to the effective date of the agreement, by registered mail to the last assessee of each portion of the property and to parties of interest, as defined in Section 4675, at their last known address. The costs of providing such notice shall be paid by the City.

SECTION 4. The City certifies that the existing structure is substandard, as defined in Health and Safety Code Section 17920(b), as the Building and Safety Department has requested that only complete demolition or total renovation be permitted, as the current vacant condition of the property does not warrant a partial renovation.

SECTION 5. The purpose of the purchase of the Property is to redevelop it housing for low- and moderate income individuals, which is consistent with the City's Consolidated Plan and Annual Action Plan submitted to the U.S. Department of Housing and Urban Development, as follows:

Goal 2: Retain and increase the stock of affordable housing through rehabilitation and new construction; and

Homeless Goal 1: Support or provide funding for programs that offer services and/or supportive housing to assist homeless individuals and/or families.

SECTION 6. The purchase is to be funded from the City's Housing Successor Agency accounts.

SECTION 7. The Executive Director, or his designee, is hereby authorized to execute on behalf of the City the necessary documents to complete the approved purchase.

PASSED, APPROVED, AND ADOPTED BY THE PALM SPRINGS CITY COUNCIL, ACTING SOLELY IN ITS CAPACITY AS THE HOUSING SUCCESSOR AGENCY TO THE PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY, THIS 15<sup>TH</sup> DAY OF APRIL, 2015.

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DAVID H. READY  
EXECUTIVE DIRECTOR

ATTEST:

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JAMES THOMPSON  
CITY CLERK

APPROVED AS TO FORM:

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DOUGLAS C. HOLLAND  
CITY ATTORNEY

STATE OF CALIFORNIA            )  
COUNTY OF RIVERSIDE        ) ss.  
CITY OF PALM SPRINGS         )

I, James Thompson, City Clerk of the City of Palm Springs, California, hereby certify that Resolution No. \_\_\_\_\_ was adopted by the Palm Springs City Council, acting in its capacity as the Housing Successor Agency to the former Community Redevelopment Agency, at a regular meeting held on the 15th of April, 2015, and that the same was adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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JAMES THOMPSON  
CITY CLERK

EXHIBIT "A" TO RESOLUTION  
LEGAL DESCRIPTION OF THE PROPERTY

The Property is that certain real property located in the City of Palm Springs, County of Riverside, State of California, described as follows:

LOTS 7 & 8 OF THE ROCHELLE TRACT, RECORDED IN BOOK 20, PAGE 68 OF MAPS, IN THE COUNTY RECORDS OF RIVERSIDE COUNTY, CALIFORNIA

APN 504-260-019

ADDRESS is 2395 North Indian Canyon Drive.

JON CHRISTENSEN  
ASSISTANT TREASURER-TAX COLLECTOR

DEBBIE BASHE  
INFORMATION TECHNOLOGY OFFICER

GIOVANE PIZANO  
INVESTMENT MANAGER

KIEU NGO  
FISCAL MANAGER



DON KENT  
TREASURER

GARY COTTERILL  
CHIEF DEPUTY TREASURER-TAX COLLECTOR

MATT JENNINGS  
CHIEF DEPUTY TREASURER-TAX COLLECTOR

MELISSA JOHNSON  
CHIEF DEPUTY TREASURER-TAX COLLECTOR

ADRIANNA GOMEZ  
ADMINISTRATIVE SERVICES MANAGER I

March 26, 2015

City of Palm Springs  
P.O. Box 2743  
Palm Springs, CA 92263-2743  
Attn: John Raymond

Re: Assessment Number **504260019-5**

Dear Mr. Raymond:

We are in receipt of your inquiry regarding acquiring tax-defaulted property.

The above referenced tax-defaulted parcel may be acquired by the City of Palm Springs under a Chapter 8 Agreement of Sale for the minimum purchase price as follows:

| <u>Assessment Number</u> | <u>Purchase Price</u> |
|--------------------------|-----------------------|
| 504260019-5              | \$175,157.67          |

**Property taxes may be applied to parcels that are outside the City of Palm Springs' purchasing boundaries. You may also purchase this parcel through a Chapter 7 Auction. Please verify with your legal council that this parcel is within the purchasing boundaries.**

The purchase price was determined in keeping with Section 3698.5 (a) (or section c or both) of the Revenue and Taxation Code, State of California.

In order for the City of Palm Springs to enter into an Agreement of Sale for this parcel, we would need a Resolution from your City Council stating that the City objects to the public sale of the parcel. The Resolution should further show an offer to purchase the property, including the purchase price, legal description, Assessor's parcel number, and the public purpose for which the land is to be devoted. It should also include a statement that the costs of giving notice shall be paid by the City. In addition to the Resolution, the State now requires a separate Mission Statement to be submitted as part of the Agreement. This must be on official letterhead.

In compliance with Section 3800 of the California Revenue and Taxation Code, the City is required to pay for the legal notice tentatively published in the **Desert Sun Newspaper**. Should the Agreement to purchase be nullified after the first publication, the City would still be responsible for the publication costs incurred.



City of Palm Springs  
Page 2  
March 26, 2015

Pursuant to Section 3799 of the California Revenue and Taxation Code, the Tax Collector shall make reasonable efforts to ascertain the identity and address of parties of interest. Notifications of the pending sale to parties of interest must be sent by certified mail. Also, in compliance with Revenue and Taxation Code 3800, the cost of giving notice of Agreement shall be paid by the taxing agency, and is non-refundable should the property be redeemed nullifying the Agreement.

The State of California now requires that a certification verifying an existing structure is substandard, as defined in Health and Safety Code Section 17920(b), if a residential property is purchased for rehabilitation. If a property is purchased with the intent of developing the area we will need documentation from an officer of the local housing jurisdiction confirming the project is consistent with the area's development plan.

Once the Agreement of Sale has been completed correspondence will be sent requesting funds within 14 days. Should payment not be received within the time allowed the Agreement of Sale would be void.

We would appreciate receiving the Resolution to purchase this property from your Council immediately. It would be advisable to contact our office and confirm that the Resolution has been received. **Properties scheduled to be sold at auction will not otherwise be removed from the tax sale.**

If your City Council decides against offering to purchase these parcels, we would appreciate a letter so stating in order to close our file on this matter. Should you elect not to purchase by Agreement, the law does not restrict you from bidding on the property at public auction.

If you have any further questions regarding this matter, please feel free to contact me.

Yours truly,

*Michelle Bryant August*

Michelle Bryant August  
Tax Sales Operations Unit  
(951) 955-3948