

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: November 3, 2021

CAO File No. 0220-05897-0001
Council File No. 21-1219
Council District: 1, 14

To: The Mayor and Council

From: Matthew W. Szabo, City Administrative Officer



Reference: Transmittal dated October 21, 2021 from Office of the City Administrative Officer with Correspondence dated August 31, 2021 from the Department of General Services

Subject: **UPDATED TRANSMITTAL - REQUEST FOR CITY OF LOS ANGELES CONCURRENCE AND APPROVAL OF THE PRICE AND SALE OF THREE TAX-DEFAULTED PROPERTIES LOCATED IN THE CITY OF LOS ANGELES**

On October 19, 2021, the Office of the City Administrative Officer (CAO) released a report which included an August 31, 2021 correspondence from the Department of General services requesting approval of the sale of four tax-defaulted properties (Attachment A). The CAO report to the Council and Mayor, is required, in accordance with Section 3775 of the State's Revenue and Taxation Code, as the City must concur with, and approve the price and sale of any tax-defaulted property located within its boundaries. Since the release of the CAO report (C.F. 21-1219), the County has informed the City that only three (3) of the four (4) tax-defaulted properties will be acquired by the Los Angeles County Executive Office. This transmittal includes a revised agreement (Attachment B) for the sale and purchase of three (3) tax-defaulted properties, and identifies the City Council District in which each property is located in the City of Los Angeles.

LIST OF TAX-DEFAULTED PROPERTIES

Address	CD	APN	Size (sq. ft.)	Price
114 N. Avenue 54	1	5468-020-004	4,771	\$46,592.61
672 S. Mathews St	14	5185-027-029	3,000	\$30,685.15
4499 Via Marisol, #349C	14	5301-018-201	1,038	\$25,496.37
TOTAL				\$102,774.13

RECOMMENDATION

That the Council approve the sale of the three (3) privately-owned, tax defaulted properties to the County of Los Angeles, pursuant to Revenue and Taxation Code Section 3775, for the agreed upon price of \$102,774.13, and request that the Mayor execute the required approval documents.

FISCAL IMPACT STATEMENT

The fiscal impact to the General Fund from approval of the recommendations is unanticipated and expected to be positive. The City's commensurate share of the proceeds from the sale of these privately owned, tax-defaulted properties will be distributed in the same manner as with other property tax receipts.

Attachment A: CAO October 19, 2021 Report and attachments

Attachment B: Revised Agreement for sale and purchase of tax-defaulted real property and covenants, conditions, and restrictions

Attachment A

[CAO October 19, 2021 Report and attachments](https://clkrep.lacity.org/onlinedocs/2021/21-1219_rpt_cao_10-20-21.pdf)

[https://clkrep.lacity.org/onlinedocs/2021/21-1219 rpt cao 10-20-21.pdf](https://clkrep.lacity.org/onlinedocs/2021/21-1219_rpt_cao_10-20-21.pdf)

RECORDING REQUESTED BY AND
AFTER RECORDATION, MAIL TO:
TREASURER AND TAX COLLECTOR
COUNTY OF LOS ANGELES
225 NORTH HILL STREET, ROOM 130
LOS ANGELES, CA 90012

(Space above line for Recorder's use)

(PUBLIC AGENCY AGREEMENT)

AGREEMENT FOR SALE AND PURCHASE OF TAX-DEFAULTED REAL PROPERTY
AND COVENANTS, CONDITIONS, AND RESTRICTIONS.

ASSESSOR'S IDENTIFICATION NUMBERS:
5185-027-029, 5301-018-201 and 5468-020-004

This Agreement by and between the County of Los Angeles (Seller) and Chief Executive Office (Purchaser), a public agency is made _____, in accordance with the provisions of California law.

The real Properties situated within the City of Los Angeles, as set forth and described in Exhibit A of this Agreement, is tax-defaulted and is Subject to the Tax Collector's Power to Sell for nonpayment of taxes, pursuant to California Revenue and Taxation Code (R&TC) Section 3691.

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. Subject to approval by the California State Controller and the County of Los Angeles Board of Supervisors and subject to termination of redemption rights under the R&TC Section 3803, Seller agrees to sell to Purchaser the real property described in Exhibit A of this Agreement, pursuant to Division 1, Part 6, Chapter 8 of the R&TC.
2. The Purchaser agrees to and shall pay the purchase price for the Property, as stipulated in Exhibit A, which does not include the mandated notification costs of this Agreement and which are due and payable within 14 days of the effective date of the sale. The resolution by Purchaser's governing board authorizing the purchase is attached as Exhibit B.

3. INTENT OF USE

The public purpose and specified intent of use set forth by the Purchaser for the purchased Property is as follows:

4. NO WARRANTIES OR REPRESENTATIONS

The Seller makes no representation concerning the condition of title to the subject Property. The Seller does not warrant title to the Property or make any representations concerning the title. Additionally, the Seller makes no representation concerning the physical condition of the subject Property and the Purchaser acknowledges that it is not relying upon any statements or representations of the Seller concerning the subject Property, and is purchasing the subject Property in its "as is" condition.

5. PAYMENT OF COSTS

The Purchaser shall pay the purchase price of the Property and costs of the sale, including but not limited to: the cost of giving notice of this Agreement; the cost of publishing or posting the notice of this Agreement; the cost of proceeding to obtain a clear title to the Property; and the expenses incurred in the payment, compromise, or other method of removal of any liens or adverse claims against the Property.

6. CONSIDERATION

The Seller shall sell the Property(s) listed in Exhibit A as a single transaction to the Purchaser in consideration of the receipt of the payments listed in this Agreement.

7. REDEMPTION

If any of the Properties listed in Exhibit A are redeemed prior to the effective date of this Agreement, this Agreement shall be null and void as to that Property or Properties. Notwithstanding the foregoing, this Agreement shall be binding and shall remain in full force and effect with respect to any remaining Property(s).

8. REVIVAL AND RIGHT OF REDEMPTION

This Agreement shall become null and void and the right of redemption restored upon the failure of the Purchaser to comply with the Terms and Conditions of this Agreement prior to the tax deed recordation. The Purchaser will be required to

reimburse the Tax Collector for the costs for producing notice, publication, and actual costs incurred for preparing and conducting the Chapter 8 Agreement Sale if these expenses have already been incurred.

9. INDEMNITY

The Purchaser shall indemnify the Seller from and against any and all liability, loss, costs, damages, attorney's fees, and any and all other expenses which the Seller may sustain or incur by reasons of a challenge to the validity of the Sale of the Tax-Defaulted Property described in Exhibit A. Pursuant to R&TC Section 3809, a proceeding based on alleged invalidity or irregularity of any proceeding instituted must be commenced within one year after the date of execution of the Tax Collector's deed.

10. ENVIRONMENTAL CONDITION OF PROPERTY

The Property acquired pursuant to this Agreement may contain hazardous wastes, toxic substances, or other substances regulated by federal, state, and local agencies. The Seller in no way whatsoever assumes any responsibility, implied or otherwise, and makes no representations that the Property(s) are in compliance with federal, state, or local laws governing such substances. The Seller in no way assumes any responsibility, implied or otherwise, for any costs or liability of any kind imposed upon or voluntarily assumed by the Purchaser or any other owner to remediate, clean up, or otherwise bring the Property(s) into compliance according to federal, state, or local environmental laws.

11. COMPREHENSIVE ENVIRONMENTAL RESPONSE COMPENSATION AND LIABILITY ACT (CERCLA)

The Seller and the Purchaser agree that under United States Code, Title 42, Section 9601(20)(d), the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) expressly excludes local and state governments from clean-up liability for properties they acquire as a result of tax delinquencies. Notwithstanding this provision, the Purchaser shall defend, indemnify, and hold harmless the Seller, its Board of Supervisors, officers, claims, actions, liabilities, losses, damages, and costs, including reasonable attorney's fees, arising out of or resulting from the performance of this Agreement, regardless of whether caused in part by a party indemnified hereunder, including but not limited to allegations that the Seller and/or the Seller's officers, directors, agents, employees, or volunteers are liable for costs or other charges related to the remediation, clean up, or other work necessary to bring any Property purchased under this Agreement into compliance with federal, state, or local environmental laws

12. JURISDICTION BOUNDARIES

If the Purchaser is a district as defined by Government Code 56036(a), the purchased Property must be within the Purchaser’s jurisdiction, unless a letter from Purchaser’s legal counsel stating that either the influence has been extended by the Local Agency Formation Commission (LAFCO) to include the Property or the Property may be purchased without conflict with sphere of influence parameters.

13. ENTIRE AGREEMENT

This Agreement, with Exhibit A, constitutes the entire Agreement of the parties.

EXHIBIT A	Real Property Description and Purchase Price
EXHIBIT B	Resolution of Governing Board

APPROVED AS TO FORM:

Rodrigo A. Castro-Silva
County Counsel

By _____
Deputy County Counsel

If all or any portion of any individual parcel listed in Exhibit A is redeemed prior to the effective date of this Agreement, this Agreement shall be null and void only as it pertains to that individual parcel.

The undersigned hereby agree to the terms and conditions of this Agreement and are authorized to sign for said agencies.

ATTEST: _____
Chief Executive Office

By: _____

Title

(seal)

Pursuant to the provisions of Section 3775 of the Revenue and Taxation Code the governing body of the City of Los Angeles of Los Angeles County hereby agrees to the selling price as provided in this agreement.

ATTEST: _____

City of Los Angeles

By _____

City Mayor

(Seal)

ATTEST: Board of Supervisors, County of Los Angeles

By: _____

Executive Officer-Clerk

By _____

Chair of the Board of Supervisors
of the Board of Supervisors

By _____

Deputy

(seal)

This Agreement was submitted to me before execution by the Board of Supervisors and I have compared the same with the records of County of Los Angeles relating to the real Property described herein.

County of Los Angeles Tax Collector

Pursuant to the provisions of R&TC Section 3775, the Controller agrees to the selling price set forth and, pursuant to the provisions of section 3795 approves the foregoing agreement on this ____ day of _____, 20__ is approved.

BETTY T. YEE
CALIFORNIA STATE CONTROLLER

By: _____

Jennifer Monticinos, Manager
Tax Administration Section

EXHIBIT A

REAL PROPERTY DESCRIPTION AND PURCHASE PRICE

ITEM	DESCRIPTION
Supervisory District	1
Location	CITY OF LOS ANGELES
Address	672 S MATHEWS ST LOS ANGELES CA 90023
Assessor's Identification Number	5185-027-029
Legal Description	TRACT # 4887 NW 75 FT OF LOT 6 BLK E
Size/Area	3,000 SQ. FT.
Agreement Number	2852
First Year of Default	2015
Estimated Purchase Price	\$30,685.15
Purpose of Acquisition	TO PRESERVE AFFORDABLE HOUSING FOR LOW TO MODERATE INCOME HOUSEHOLDS

ITEM	DESCRIPTION
Supervisory District	1
Location	CITY OF LOS ANGELES
Address	4499 VIA MARISOL #349C LOS ANGELES CA 90042
Assessor's Identification Number	5301-018-201
Legal Description	*TR=27847 LOT 8 CONDOMINIUM*UNIT 349
Size/Area	1,038 SQ. FT.
Agreement Number	2852
First Year of Default	2015
Estimated Purchase Price	\$25,496.37
Purpose of Acquisition	TO PRESERVE AFFORDABLE HOUSING FOR LOW TO MODERATE INCOME HOUSEHOLDS

Note: The estimated purchase price of each property is based on the amount due as of February 22, 2022, the anticipated completion date, and includes the projected costs of the Chapter 8 Agreement Sale, which consist of notification, publication, postage, title report, recording, and State and transfer taxes, if applicable.

ITEM	DESCRIPTION
Supervisory District	1
Location	CITY OF LOS ANGELES
Address	114 N AVENUE 54 LOS ANGELES CA 90042
Assessor's Identification Number	5468-020-004
Legal Description	OWNER S TRACT LOT 5
Size/Area	4,771 SQ. FT.
Agreement Number	2852
First Year of Default	2015
Estimated Purchase Price	\$46,592.61
Purpose of Acquisition	TO PRESERVE AFFORDABLE HOUSING FOR LOW TO MODERATE INCOME HOUSEHOLDS

Note: The estimated purchase price of each property is based on the amount due as of February 22, 2022, the anticipated completion date, and includes the projected costs of the Chapter 8 Agreement Sale, which consist of notification, publication, postage, title report, recording, and State and transfer taxes, if applicable.