



MOUNTAINS RECREATION & CONSERVATION AUTHORITY

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MEMORANDUM

TO: The Governing Board

FROM:  Joseph T. Edmiston, FAICP, Hon. ASLA, Executive Officer

DATE: September 12, 2011

SUBJECT: **Agenda Item VI(g): Consideration of resolution authorizing the use of funds from SMM-0742 and SMM-0743, to acquire properties in the Upper Santa Clara River watershed at the Los Angeles County Tax Collector 2011A public auction, or through the sealed bid process.**

Staff Recommendation: That the Governing Board adopt the attached resolution authorizing the use of up to \$210,000 of funds from SMM-0742 and SMM-0743, to acquire properties in the Upper Santa Clara River watershed at the Los Angeles County Tax Collector 2011A public auction, or through the sealed bid process.

Background: Grants SMM-0742 and SMM-0743 are Proposition 12 grants awarded to the MRCA from the Santa Monica Mountains Conservancy. SMM-0742 qualifies for the acquisition of tax defaulted parcels in the Upper Santa Clara River watershed, within the Rim Of The Valley Trail Corridor zone. SMM-0743 qualifies for the acquisition of parcels within the Angeles Linkage Conceptual Area Protection Plan and the Rim Of The Valley Trail Corridor zone.

The Mountains Recreation and Conservation Authority (MRCA) historically has reserved parcels from the public auction lists, prior to the actual auction. This method results in Chapter 8 Agreements with the Los Angeles County Treasurer and Tax Collectors office. The fruition of the Chapter 8 process at a minimum takes over fifteen months. Usually, the final purchase price is 25-35 percent greater than the back taxes owed at the auction date. An alternative method for the MRCA to secure tax defaulted properties is to compete for the parcels at the open public auction. The advantage of this method is that staff can avoid the case where parcel costs exceed available funding and know the actual date that funding is due. A Los Angeles County public auction is scheduled for mid-October this year.

Staff is investigating available parcels in the Upper Santa Clara River watershed, which includes the whole Angeles Linkage Conceptual Area Protection Plan. The list of available parcels shrinks as the auction approaches, due to the payment of

back taxes by the property owner. For any parcel where staff is the final bidder, a 10 percent deposit is immediately required. Funds from the MRCA's Auction Trust Account will be used to secure this 10 percent deposit for each parcel won. The remaining 90 percent needs to be paid within 30 days after the auction.

The proposed action would constitute the approval to use SMM-0742 and SMM-0743 grant funds to purchase properties that are consistent with the scope of SMM-0742 and SMM-0743. The total amount of SMM-0742 is \$150,000 and the total amount of SMM-0743 is \$123,000.

Fair market value of properties is essentially established at the auction with the bidding process or by sale for just the minimum bid (back taxes). Title is cleared by the auction process. The proposed \$210,000 cap could acquire one parcel or maybe even ten. The pool of available parcels is not set until a couple of days before the auction.