



# MOUNTAINS RECREATION & CONSERVATION AUTHORITY

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## MEMORANDUM

TO: The Governing Board

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

DATE: October 6, 2010

SUBJECT: **Agenda Item V(j): Consideration of resolution authorizing the use of Santa Monica Mountains Open Space Preservation District No.1 (Area B), and District No.2 (Area F), to acquire property at the Los Angeles County Tax Collector 2010A public auction, or through the sealed bid process, Beverly Glen watershed, Woodland Hills, City of Los Angeles.**

Staff Recommendation: That the Governing Board adopt the attached resolution authorizing the use of Santa Monica Mountains Open Space Preservation District No.1 (Area B) funds not to exceed \$100,00, and District No.2 (Area F) funds not to exceed \$100,000, to acquire property at the Los Angeles County Tax Collector 2010A public auction, or through the sealed bid process, in the Beverly Glen watershed and Woodland Hills.

Background: 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. Often 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 Woodland Hills and the Beverly Glen watershed. 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 Authority's approval to use qualifying Santa Monica Mountains Open Space Preservation District No.1, Area B funds, and Santa Monica Mountains Open Space Preservation District No.2, Area F funds to purchase properties that are integral to the protection of habitat and view resources in Woodland Hills and the Beverly Glen watershed.

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 \$200,000 cap could acquire two parcels or maybe even ten. The pool of available parcels is not set until a couple of days before the auction.

Cash flow issues are less of a concern with Assessment District acquisitions given that 30 days are provided to pay the 90 percent balance.