



675 Wildwood Avenue  
Rio Dell, CA 95562  
(707) 764-3532

**For Meeting of April 16, 2024**

Consent Item;  Public Hearing Item

To: City Council

From: Kevin Caldwell, Community Development Director

Through: Kyle Knopp, City Manager

Date: April 11, 2024

Subject: Resolution No. 1602-2024 authorizing the City Manager to execute and submit an application to the Humboldt County Tax Collector for the purchase of the Tax Defaulted property identified as APN 053-152-007.

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**Recommendation:**

That the City Council:

1. Authorize the City Manager to execute and submit an application to the Humboldt County Tax Collector for the purchase of the Tax Defaulted property identified as APN 053-152-007.

**Discussion:**

Pursuant to State Revenue and Taxation Code, properties that are determined to be in default for unpaid property taxes for five years or more are periodically put up for public auction by the County for a minimum bid amount equivalent to the delinquent taxes, plus application fees incurred by the County. The City recently received the "Notice to Taxing Agencies & Revenue Districts Public Auction of Tax Defaulted Properties", from

the County Tax Collector. The properties are scheduled for sale on June 10, 2024. There are four (4) properties listed that are within the City. One of the properties, 325 Second Avenue has actually been identified as potential site for a Neighborhood Park. See Attachment 2 for the location map and photos. The property is owned by the Church of Christ. This 15,000+/- square foot parcel is developed with an approximate 4,000 square foot assembly/office area. The building could accommodate a community resource center and/or flex office/administrative space.

Pursuant to Revenue and Taxation Code Section 3695.4, and in connection with the application, the City may object to the sale of a tax-defaulted parcel that may be needed for public use. Pursuant to Sections 3702 and 3703, an objection letter, application, and copy of resolution establishing authority to purchase property must be filed with the Tax Collector before the date of the first publication of the notice of intent to sale. If the City files an objection and application in compliance with this section prior to May 2, 2024, the Tax Collector may not proceed with the sale of the subject property. The objection does not preclude the property owner from redeeming the property prior to sale.

Submitting an Application to Purchase Tax-Defaulted Property from the County does not commit the City to purchase the property, nor does it guarantee purchase approval. By objecting to the sale, the property is withheld from the public auction while a purchase price is determined and allows for further property investigation. The County has identified a minimum bid of \$10,800 plus the cost of the public notice publication in the North Coast Journal. The City may submit a letter to the Tax Collector requesting to withdraw their Application to Purchase at any time during the process. The City would be required to reimburse the Tax Collector for the costs incurred for preparing the sale to the City.

The California Environmental Quality Act (Section 21000, et. seq. of the California Public Resources Code, hereinafter referred to as CEQA) requires analysis of agency approvals of discretionary "projects". A "project", under CEQA, is defined as "the whole of an action, which has a potential for resulting in either a direct physical change in the

environment, or a reasonably foreseeable indirect physical change in the environment.”

Staff has reviewed the potential acquisition and has identified two Categorical Exemptions that apply. Specifically, staff finds the acquisition of the property to be exempt from CEQA pursuant to the following finding:

**FINDING:** That the acquisition of APN 053-152-007 is exempt from the California Environmental Quality Act (CEQA).

**EVIDENCE:** The acquisition of the parcel is exempt from CEQA as follows:

1. Converting the building(s) to a community center, office, and administrative use would require minor alterations to the existing building. Minor alterations to existing buildings are Categorically Exempt from CEQA pursuant to Section 15301 of the State CEQA Guidelines. *Class 1 consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination.*

2. The addition of neighborhood park facilities (i.e. basketball court, playground equipment, etc.) is found to be Categorically Exempt from CEQA pursuant to Section 15303, *Class 3 consists of construction and location of limited numbers of new, small facilities or structures; installation of small new equipment and facilities in small structures; and the conversion of existing small structures from one use to another where only minor modifications are made in the exterior of the structure.*

**ATTACHMENT 1:** Resolution No. 1602-2024

**ATTACHMENT 2:** Location Map

**ATTACHMENT 3:** Application to Purchase

**ATTACHMENT 4:** Agreement to Purchase

**RESOLUTION NO. 1602-2024**



**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIO DELL  
AUTHORIZING THE CITY MANAGER TO EXECUTE AN APPLICATION  
TO PURCHASE A TAX-DEFAULTED PROPERTY**

**WHEREAS**, pursuant to State Revenue and Taxation Code, properties that are determined to be in default for unpaid property taxes for five (5) years or more are periodically put up for public auction for a minimum bid amount of delinquent taxes due plus costs; and

**WHEREAS**, the City of Rio Dell, as a taxing agency that is also a revenue district pursuant to California Tax and Revenue Sections 122 and 3695.4, has the right to object to the County Tax Collector's proposed sale of said properties, by submitting an Application to Purchase, objection letter, and by providing a copy of a resolution delegating authority to purchase the tax-defaulted property; and

**WHEREAS**, following staff review of available tax defaulted properties, the City intends to submit an application to pursue acquisition of 325 Second Avenue (APN 053-152-007) for the purpose of a Community Center, Neighborhood Park and/or flex office/administrative space; and

**WHEREAS**, there are no initial fees to submit an Application to Purchase Tax-Defaulted Property from the County; however the County will charge a fee to the City to process the tax sale, once the City and County have reached a mutually agreeable sale price; and

**WHEREAS**, funding for the purchase of the property will be from the City's General Fund; and

**WHEREAS**, the County has identified a minimum bid of \$10,800 plus the cost of the public notice publication in the North Coast Journal; and

**WHEREAS**, The California Environmental Quality Act (Section 21000, et. seq. of the California Public Resources Code, hereinafter referred to as CEQA) requires analysis of agency approvals of discretionary "projects". A "project", under CEQA, is defined as "the whole of an action, which has a potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment."

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Rio Dell hereby finds the acquisition of the property to be exempt from CEQA pursuant to the following finding:

**FINDING:** That the acquisition of APN 053-152-007 is exempt from the California Environmental Quality Act (CEQA).

**EVIDENCE:** The acquisition of the parcel is exempt from CEQA as follows:

1. Converting the building(s) to a community center, office, and administrative use would require minor alterations to the existing building. Minor alterations to existing buildings are Categorically Exempt from CEQA pursuant to Section 15301 of the State CEQA Guidelines. Class 1 consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination.
2. The addition of neighborhood park facilities (i.e. basketball court, playground equipment, etc.) is found to be Categorically Exempt from CEQA pursuant to Section 15303, Class 3 consists of construction and location of limited numbers of new, small facilities or structures; installation of small new equipment and facilities in small structures; and the conversion of existing small structures from one use to another where only minor modifications are made in the exterior of the structure. of the State CEQA Guidelines

**BE IT FURTHER RESOLVED** by the City Council of the City of Rio Dell hereby:

- 1. Authorizes the City Manager to execute and submit an application to the Humboldt County Tax Collector for the purchase of the Tax Defaulted property identified as APN 053-152-007.

**PASSED and ADOPTED** at a regular meeting of the City Council of the City of Rio Dell on April 16, 2024 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
Mayor Debra Garnes

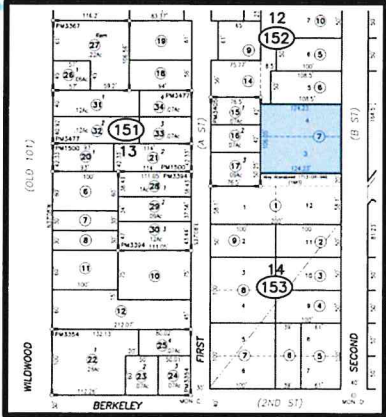
STATE OF CALIFORNIA

City of Rio Dell

ATTEST:

I, Karen Dunham, City Clerk for the City of Rio Dell, State of California, hereby certify the above and foregoing to be a full, true and correct copy of Resolution No. 1602-2024 adopted by the City Council of the City of Rio Dell on April 16, 2024.

\_\_\_\_\_  
Karen Dunham, City Clerk, City of Rio Dell



Humboldt County Tax Collector  
Tax Default Sale

Church of Christ  
325 Second Avenue  
APN 053-152-007





## AGREEMENT TO PURCHASE TAX DEFAULTED PROPERTY

This agreement is made this **17th** day of **April 2024** by and between the Humboldt County Board of Supervisors and the City of Rio Dell, a California Municipal Corporation, in accordance with provisions of California law. The County ("**SELLER**"), subject to the State Controller's approval, does hereby agree to sell to the City of Rio Dell ("**PURCHASER**") the real property described in Exhibit "A" of this agreement.

The real property situated within said county, hereinafter set forth and described in Exhibit "A" of this agreement, is tax defaulted and is subject to the power of sale by the tax collector of said county for the nonpayment of taxes.

The **PURCHASER** agrees to pay the sum of **\$10,800.00** which is tendered in the form of (cash/negotiable paper/etc.) with this document.

In consideration of the mutual promises herein set forth, the parties mutually agree as follows:

- Approval by the State Controller. California Revenue and Taxation Code section 3795 requires this agreement to be submitted to and approved by the California State Controller before it becomes final. This agreement is not in effect until the California State Controller's authorization is received and the noticing process is complete.
- Purchase and Evidence of Title. Within 21 days from the effective date of this agreement, the **PURCHASER** agrees to pay a sum sufficient to redeem the delinquent property taxes pursuant to California Revenue and Taxation Code section 3793.1(a) or a reduced price in accordance with section 3793.1(b). The approval and notice process will determine the effective date of the sale and the final purchase price. The **PURCHASER** agrees to pay the Tax Defaulted Amount of **\$10,800.00** for the properties described in Exhibit "A". Payment shall be in cash or certified funds payable to the (county) County Tax Collector. Upon receipt of said sums by the Tax Collector, the Tax Collector shall execute and record a deed conveying the title to said property to **PURCHASER** and after recordation the deeds will be returned to the purchaser by the County Clerk/Recorder.
- No Representation. 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.
- Other Expenses: The **PURCHASER** shall pay the other expenses in addition to the purchase price of the property, including but not limited to: the cost of giving notice of the notice of agreement, the cost of publishing or posting the notice of 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.

- Intent of Use. The public purpose and specified intent of use set forth by the PURCHASER for the purchased property is as follows: **Community Center/Neighborhood Park.**
- Jurisdiction Boundaries. If the PURCHASER is a 'district' as defined by Government Code 56036(a) the purchased property must be within their jurisdiction, unless a letter from purchasers' 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.
- Real Property Taxes, Current Fiscal Year. The purchase price does not include the property taxes for the current Fiscal Year. The PURCHASER shall be responsible for payment in full of the current property taxes for the property in addition to the purchase price.
- Treated as a Single Transaction. 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.
- Redemption. If the property listed in Exhibit "A" is redeemed prior to the effective date of this agreement, this agreement shall be null and void as to that property or properties.
- Void/Incomplete Purchase. 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 agreement sale if these expenses have already been incurred.
- Indemnity. The PURCHASER shall indemnify the SELLER from and against any and all liability, loss, costs, damages, attorney's fees, and other expenses which the SELLER may sustain or incur by reasons of a challenge to the validity of the tax default sale of the property described in Exhibit "A". Pursuant to California Revenue and Taxation Code section 3809, a proceeding based on alleged invalidity or irregularity of any proceeding instituted can only be commenced within one year after the date of execution of the Tax Collector's deed.
- 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 is 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 into compliance according to federal, state, or local environmental laws property purchased.

- 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 attorneys' 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 deferral, state, or local environmental laws.

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

**Note: If more than one executed copy is required, add the following statement above the signature block:**

This document is being executed in counterpart each of which constitutes an original

ATTEST:

\_\_\_\_\_  
PURCHASER

\_\_\_\_\_  
By:

ATTEST:

\_\_\_\_\_  
CLERK OF THE BOARD OF SUPERVISORS

\_\_\_\_\_  
By:

**Note: If the property is located within the boundaries of a city, add this signature block:**  
Pursuant to the provisions of Revenue and Taxation Code section 3775, the governing body of the City of (city) hereby agrees to the selling price as provided in this agreement.

ATTEST:

City of Rio Dell

\_\_\_\_\_  
Kyle Knopp, City Manager

**Note: If the agreement is with the State or a county, use this signature block:**  
Pursuant to the provisions of Revenue and Taxation Code section 3775, the Controller agrees to the selling price hereinbefore set forth and, pursuant to the provisions of section 3795, approves the foregoing agreement this this (\_\_\_\_) day of (\_\_\_\_), 2024 is approved.

MALIA M. COHEN, CALIFORNIA STATE CONTROLLER

By: \_\_\_\_\_