



A Tradition of Stewardship  
A Commitment to Service

Agenda Date: 3/22/2016

Agenda Placement: 6AA

## NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

---

**TO:** Board of Supervisors  
**FROM:** Leanne Link for Nancy Watt - County Executive Officer  
County Executive Office  
**REPORT BY:** Helene Franchi, Principal Management Analyst - 253-4820  
**SUBJECT:** Accept Transfer of Parcels in the Lake Berryessa Resort Improvement District

---

### **RECOMMENDATION**

County Executive Officer requests approval of and authorization for the Chairman to sign the Certificate of Acceptance for five parcels deeded from the Lake Berryessa Resort Improvement District.

### **EXECUTIVE SUMMARY**

The Lake Berryessa Resort Improvement District (LBRID) Board requested that the Board of Supervisors cancel tax delinquencies on five properties within the District and pay past due assessments, miscellaneous taxes, and judicial foreclosure attorney fees pursuant to the California Revenue and Tax Code. LBRID initiated foreclosure proceedings on 21 parcels and obtained five credit deeds when the Sheriff's sale failed to result in any bids. Those parcels are:

1. 016-191-004-000
2. 016-192-004-000
3. 016-201-001-000
4. 016-213-009-000
5. 016-213-010-000

The Board ordered the cancellation of past due property taxes and payment of the past due assessments and related foreclosure fees on November 24, 2015, which has been accomplished. Staff now recommends that the Board accept the quitclaim deeds from LBRID on five parcels.

**FISCAL IMPACT**

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	No
What is the revenue source?	Prior to selling, maintenance on the vacant parcels should be minimal, but will include fire prevention activities, such as clearing brush. Per the Risk Manager, liability insurance costs will be de minimus. These would be a small cost to the General Fund.  The General Fund would also be responsible for other fees and assessments until the parcels are sold. See below.
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	Approval will enable the County to take possession of the five parcels and put them on the market.
Is the general fund affected?	Yes
Future fiscal impact:	Continued minor maintenance expenses until the properties are sold. Additionally, current annual assessments on the parcels are the LBRID T-1 Tax (\$842), the LBRID 2007 Bond (\$711), Flood Control District (\$7) and Mosquito Abatement (\$8).
Consequences if not approved:	The County has already forgiven past due property taxes and paid the back assessments. If the requested action is not approved, the County will not be able to sell the parcels and recoup at least some of its expenses.
Additional Information:	

**ENVIRONMENTAL IMPACT**

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

**BACKGROUND AND DISCUSSION**

The Lake Berryessa Resort Improvement District (LBRID) residents approved an assessment in 2007 in order to repair failing infrastructure. Thereafter, the LBRID Board issued bonds to complete the repairs. The District makes semiannual payments to bondholders from the Assessment payments. Since the Assessment was levied, many unimproved parcel owners simply walked away from the parcels and failed to make property tax or assessment payments. The Bond covenants require the District to initiate foreclosure proceedings when delinquencies reach certain threshold percentages, which the District did, resulting in 21 judgments in judicial foreclosure. The District obtained five credit deeds when the resulting Sheriff's sale failed to result in any bids. In addition, the County Treasurer-Tax Collector attempted to sell parcels within the District for past due property taxes, and did not receive any bids on those auctions. The past due assessments, property taxes and judicial foreclosure attorney fees totals are higher than the value of the parcels, making sale of any of the parcels difficult.

The LBRID Board requested that the County cancel tax delinquencies on five properties within the District and pay past due assessments, miscellaneous taxes, and judicial foreclosure attorney fees pursuant to the California Revenue and Tax Code. LBRID initiated foreclosure proceedings on 21 parcels and obtained five credit deeds when the resulting Sheriff's sale failed to result in any bids. Those parcels are:

1. 016-191-004-000
2. 016-192-004-000
3. 016-201-001-000
4. 016-213-009-000
5. 016-213-010-000

California Revenue and Tax Code section 4986.3 authorizes counties to cancel delinquent property taxes, penalties and interest on properties acquired by districts through foreclosure proceedings, or acquired in lieu of foreclosure proceedings, when bonds have been issued against assessments pursuant to the Improvement Bond Act of 1915, California Streets and Highways Code sections 8500 *et seq.* The Board made certain findings and ordered the cancellation of past due property taxes and payment of the past due assessments and related foreclosure fees on November 24, 2015, which has been accomplished. By cancelling the prior tax delinquencies in the amount of approximately \$32,850 and having the delinquent assessment and other penalties and interest of approximately \$80,518 paid off, the parcels have a much greater chance of selling, thereby returning these parcels to the market for further development and payment of future property taxes and assessments. The property sales will enable the County to recoup some or all of its expenses. Staff identified an additional \$20,500 of penalties and interest on assessments previously stripped through judicial foreclosure proceedings that were not identified in the initial analysis and current year assessments. That item is included in the six-month budget estimate item on today's agenda and brings the total cost to County for the cancellation of assessments, penalties and interest for these 5 parcels to \$131,817.

Prior to selling the parcels, maintenance on the vacant parcels should be minimal, but will include fire prevention activities, such as clearing brush. The Risk Manager has visited the parcels and with the exception of a couple trees that should be removed, has no concerns.

The Lake Berryessa Resort Improvement District Board is taking action today to authorize execution of quitclaim deeds transferring ownership of the parcels to Napa County. To complete the transaction, the Board needs to authorize the Chairman to sign the Certificate of Acceptance on the Quitclaim Deed..

#### **SUPPORTING DOCUMENTS**

None

CEO Recommendation: Approve

Reviewed By: Helene Franchi